Annual Report 2013-14

www.ienergizer.com

Contents

Overview

02 Overview and Highlight

04 Chairman's Statement

07 Chief Executive's Review

Corporate Governance

11 Board and Executive Management

13 Directors' Report

16 Corporate Governance

Financial Statements

19 Independent Auditors' Report

21 Consolidated Statement of Financial Position

23 Consolidated Income Statement

24 Consolidated Statement of Comprehensive Income

25 Consolidated Statement of Changes in Equity

27 Consolidated Statement of Cash Flows

29 Notes to Consolidated Financial Statements

iEnergizer Ltd.

("iEnergizer" or the "Company" or the "Group")

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

iEnergizer, the technology services and media solutions leader for the digital age, reports annual results for the year ended March 31st 2014.

Financial Highlights:

- Revenue up 3.6% at $155.4m (2013: $150.3m), slightly ahead of 2% growth projected in pre-close statement
- H2 sales growth of 16% over H1
- EBITDA down 15% at $37.8m (2013: $44.4m)
- Profit before tax (PBT) down 27% at $21.6m (2013: $29.7m)
- Profit before tax margin down to 13.9% (2013: 19.7%)
- Net debt of $104.9m (2013: $106.7m) following the entering of a $135m six year senior secured term loan facility
- PBT significantly impacted by one-off bad debt provision of $4m against receivables
- PBT significantly impacted by reduced XBRL contract as disclosed in the pre-close trading statement

Operational Highlights:

- Strong revenue growth of 17% in domestic India BPO versus market growth of 0% (Nasscom data, March 2014)
- Successful initiation of new Major Account Pipeline Sales (MAPS) doubling the Content Delivery division's deal flow pipeline
- Significant impact from the completion of a high margin XBRL contract at the Group's largest customer
- Underlying content delivery business, ex the XBRL customer referenced above, grew 18% LFL versus 2013

Anil Aggarwal, Chief Executive Officer of iEnergizer, commented:

"I am satisfied with the vast majority of our financial performance in this period. We faced a significant headwind with a reduction of over $8m of revenues from our largest client in FY14. Despite this, we still managed to grow our revenue base by $5m. It is now necessary, at this stage in our Business Plan, to reinvest

for long-term sustainable growth and we have made good progress in each of our key strategic areas in this regard since the beginning of the calendar year."

"The Company's focus remains on higher margin work in non-voice based processes including legal process outsourcing, digital solutions, financials, entertainment gaming support and content technology. We face a short term headwind from the winding down of the high margin XBRL contract with our largest customer. In anticipation of this impact we have already begun a new global sales initiative and begun to reach critical mass in our new Enterprise division which we believe will deliver multi-year, recurring revenue contracts complimentary to our existing business services. As such, while fiscal 2015 will be a transitional year, we are confident that the successful execution of our forward growth strategy, combined with our established position as a content transformation leader, will enable us to continue building on our appeal and accessibility to our target customers and, in turn, deliver long-term value for our shareholders."

Company Overview

iEnergizer is one of the largest AIM listed independent, integrated software and service pioneers. iEnergizer is a digital age publishing and technology leader set to benefit from the dual disruptive waves of big data and the cloud. The shift to the digital world is at a tipping point. iEnergizer has a unique position with cutting edge technology to serve as an enabler to its clients to help facilitate this transformation.

iEnergizer provides services across the entire customer lifecycle and offers a comprehensive suite of Transaction Processing, Content & Publishing Process Outsourcing Solutions and Customer Management Services that include customer acquisition, customer care, technical support, billing & collections, dispute handling and market research & analytics using various platforms including voice – inbound and outbound, back-office support, online chat, mail room and other business support services.

Our award-winning content and publishing services provide complete, end-to-end solutions for information providers and all businesses involved in content production. Our differentiation is in focusing on solutions and services that enable customers to find new ways to monetize their content assets, measurably improve performance, and increase revenues across their entire operation. From digital product conception, content creation and multichannel distribution, to post-delivery customer and IT support, we align ourselves with our customers as they streamline their operations to maximise cost-efficiencies and improve their ROI while connecting them with new, digitally savvy audiences.

Chairman's Statement

Although the financial performance of iEnergizer in 2014 was not as we anticipated at the beginning of the year because the significant and very profitable XBRL project could not be replaced quickly, I believe that we have made significant progress in investing in the sales pipeline and begun a refocused strategy on differentiated services in order to ensure long-term value creation for our shareholders.

While the underlying business has performed well, the conclusion of the XBRL project impacted the short-term financial performance of the Group. Despite the reduction in contribution from this project, the content service business still managed to post top line revenue growth of 2% in 2014 which, under the circumstances, is an outstanding performance. The high complexity work required for this XBRL project resulted in very high margins. As such, the decline in revenues and volumes of this workload has a significant impact on profits. While the company has been able to replace some of the revenues in the short term with other contracts, it has been at a lower margin. In addition, the BOS (Back Office Services) division, the most profitable division of the company, has seen profits impacted by a prudent decision to take an impairment charge of $4 million against two service contracts.

The RTP (Real Time Processing) division posted revenue growth of 16.9%, outperforming our own expectations as key clients continued to increase workload volumes throughout the year. The BOS division continued to post best-in-class margins, despite the significant impact of an impairment charge referenced above.

Our Aptara brand is a highly respected, content transformation market leader for the publishing vertical and all content focused enterprises. The Company is now leveraging this leadership to expand the core iEnergizer service capabilities, client base and opportunities. The result has been a doubling of the active deal pipeline in just six months.

Furthermore, there remain further areas of growth to target for the Group now that Aptara, acquired in February 2012, has been integrated fully. The management team has identified significant opportunities for the Group to increase the technological capacity of the services offered to drive future, profitable growth. Across the Group, long-term partnerships are a key differentiating factor. The average relationship tenure with key clients is now over 12 years.

The overall outsourcing global market continues to expand, but increasingly the functions of outsourcing are changing dramatically. The number of preferred vendors in any given contract is consolidating and the functions outsourced are becoming increasingly sophisticated. iEnergizer is well positioned to benefit from

this trend as an essential long-term-partner that delivers high quality, complex processes. The Company has developed end-to-end Lifecycle Management (LCM) solutions, so that as companies streamline and consolidate their operations, iEnergizer can act as a preferred vendor and single partner who can meet all of these needs while providing maximum cost-efficiencies.

People

I would like to thank each and every one of our colleagues for their hard work and commitment to iEnergizer's success. The Group's focus on execution has always been outstanding and is proven in the 100% retention rate of key clients. Scott Weeren and Adarsh Agarwal, our two COO's, lead a fantastic operations team working together to achieve the goals set by management and deliver on opportunities presented by our motivated, best-in-class global sales team.

The Board

I believe it is important for the Board to have the requisite skills and experience to support the CEO in delivering the next phase of profit and growth for the company. I have taken the opportunity to look at the structure and capabilities of the Board. This has resulted in recruiting two new directors. I am pleased to welcome Neil Campling to the Board and to the executive management team as Chief Financial Officer. Neil joined us in April 2014 and his experience in the investment community and knowledge of the dynamic changes in the technology and media industries will help position the Company as a leader in the digital age.
Marc Vassanelli has also joined iEnergizer as a non-executive director and sits on the Board's audit, remuneration and nomination committees. Marc's previous strategic, operational and financial roles that span private equity, consulting and banking across multiple industries, will bring invaluable insight and knowledge to the iEnergizer Board.

Neil and Marc have a wealth of talent and experience, and in the short time since their appointments, have already made valuable contributions.

I would like to thank our management team for their strength of leadership which has helped iEnergizer grow over the last decade. The entrepreneurial approach of the management team has been a true asset to the Company. It has enabled us to identify new markets in addition to providing high quality service to our existing clients. With a strengthened Board in place, we are about to embark on the next leg of growth as the Company executes on its new "Digital First" strategy. The comprehensive details of this strategy is due to be completed and shared in September, through an inaugural analyst and investor day.

Corporate Governance

The Board is committed to upholding high standards of corporate governance, as we believe that doing so will contribute to the delivery of long-term shareholder value. The business applies the principles of the Quoted Companies Alliance Corporate Governance Code for small and medium quoted companies and, where practicable, elements of the UK Corporate Governance Code.

Sara Latham

Chairman of the Board

Chief Executive's Statement

This has been a satisfactory year despite a number of challenges which have emerged towards the end of the financial year. Although the financial performance of iEnergizer in 2014 was below our expectations as we entered the year, we feel the investments and restructuring we are making now will poise iEnergizer for a very prosperous future.

Financial Overview

Revenues were $155.4 million (2013: $150.3 million). Profit before taxation was $21.6 million (2013: $29.7 million).

The reduction in profits was due primarily to two factors. First, a reduction in revenue from the Company's largest client to $24.5 million (FY2013: $32.7 million) in the BFSI vertical. To put the scope of this contract reduction in context, the business from this client is likely to be 80% less in FY2015 than its peak revenue year of FY2013. The content division suffered a $5m reduction in EBITDA contribution from this client in FY2014. As such, revenue lost from this key account could only be replaced in the short term by other customer revenue at lower margins. However, longer term, and even within the BFSI (Banking, Financial Services and Insurance) vertical, new opportunities have been identified which would potentially be at higher than average Company margins.

Second, a provision of $3,989,292 for bad or doubtful debts was taken against receivables during the year. These are comprised of two service contracts which were completed in 2013 by our Back- Office Services (BOS) division. Management remains committed to taking the steps necessary to recover these outstanding sums. The provision has had a significant impact on operating profits, not least because the BOS division is the most profitable of the Group's three main service lines.

By service line, the RTP (Real Time Processing) division posted revenue growth of 16.9%, outperforming our own expectations as key clients continued to increase volumes throughout the year. The BOS division continued to post best-in-class margins despite the significant impact of an impairment charge that resulted in an EBITDA reduction of 16% compared to 2013. Aptara's EBITDA declined by 18.5% from 2013's levels due to the aforementioned XBRL contract. The remainder of the Content Services division grew EBITDA by 45%, highlighting just how significant the impact of this XBRL contract was to the Company's results.

The cash generated from operations remains solid at $40 million (2013: $43.4 million). Net Debt stands at $105m (2013: $106.7 million). During 2014, the Company entered into a new $135m six year senior secured

term loan facility which has been utilised to refinance and pay off in full the outstanding loans related to the acquisition of Aptara.

Business Review

We are reorganising the business from the ground-up and focusing on a go-to-market sales and services delivery model. A more proactive structure of roles and responsibilities, with an emphasis on profitable growth and targets is at the forefront of these changes. Over the last six months we have changed our structure from a product-line-focused model to a customer centric business model, with our new MAPS program built to position us for multi-year, multi discipline, and multimillion dollar service contracts.

Marketing is now centralised to enhance our brand and go-to-market strategy, and the Aptara brand, logo and website have been relaunched.

The market is evolving rapidly and we are anticipating significant opportunities as the shift to digital processes accelerates in the next 2-3 years. 2015 will see us fully align the company with the market opportunity and position us to take advantage of digital's rapid evolution.

The digital age presents both unprecedented opportunities and challenges to enterprises. It requires that companies adapt the way that they do business. iEnergizer's focus is to provide enterprises with an integrated suite of solutions and leverage the Aptara brand name, which is synonymous with quality digital content production and delivery.

Aptara has 25 years of experience strategizing, managing, and supporting content creation for publishers and corporations whose content and learning materials keep their employees and customers well informed and their document processing operations competitive and cost-effective.

Our leading content lifecycle development and distribution services provide end-to-end solutions for information providers and all businesses involved in content production.

Digital-first production is a way to produce exciting and more effective new content products—and forge new revenue streams. It's an opportunity to streamline workflows while generating revenue and eliminating expenses. Aptara's expertise helps companies in any industry apply digital technology to monetize legacy content, produce valuable new product offerings, and increase revenues across their entire operation.

From digital product conception, content creation and multichannel distribution, to post-delivery customer and IT support, we are positioned to work alongside our customers as they streamline their operations to

maximise their cost-efficiencies and improve their ROI while connecting them with new, digitally savvy audiences. Our customers include direct relationships with the world's largest publishers, like Pearson and McGraw-Hill, Fortune 500 corporations such as Cisco and McKesson, and professional service providers, including Deloitte and Xerox.

We feel comfortable with our differentiated offering and market positioning. We are especially encouraged by the escalation of accolades and awards that the Company has been winning for our best-in-class services. The Company was chosen as a member of the 2014 Global Outsourcing 100 by the highly respected IAOP (International Association of Outsourcing Professionals) with "management capabilities" singled out as a key strength. Having not made the list in 2013, the rank of #41 in the Top 100 for 2014 speaks volumes for the progress the underlying operations and strategic focus on long-term differentiated services has made.

This industry recognition is not our only success. We are also proud to have been awarded the Agency of the year by Credit One Bank, particularly in light of Credit One's focus on excellent customer service and complex array of innovative products. We were also selected as a Top 20 Outsourcing Training Company by the Training Industry, and won First and Second Place for the "Best Use of Mobile Category" by SIPA (Specialized Information Publishers Association).

The Company's outsourcing services continue to be structured around industry-focused BPO services, including Banking, Financial Services and Insurance (BFSI), Publishing, Entertainment and Online Video Gaming, Information Technology, Legal, Healthcare and Pharmaceutical, as well as cross-industry BPO services, such as collections and customer services.

We are expanding our business by leveraging established client relationships to cross-sell among verticals. The Company has expanded its service capabilities, client base, and markets and cross-selling opportunities within the legacy Aptara client base have been identified and form a strategic focus of new green field opportunities in 2015 and beyond.

Outlook

The foundations have been laid for the next phase of growth, and the infrastructure will be in place in the coming months. Throughout calendar year 2014, the hard decisions and investments will be made to position the company for the future. However, there will be a lag before the restructuring and investments take full effect. The MAPS pipeline, for example, has an estimated selling cycle of 6-24 months. As we move through fiscal year 2015 and into 2016, we expect the business to convert this pipeline into project success, revenue and profit momentum as the new structure and initiatives take effect. With a solid foundation, strong operational execution, new sales initiatives, and focused differentiated offerings, we have a great deal of confidence that we will exceed the levels of profitability and growth we had in the past.

Finally I would like to thank all of our staff, clients and shareholders for their continuing support.

Anil Aggarwal

Chief Executive

1 July 2014

BOARD AND EXECUTIVE MANAGEMENT

Sara Latham (43) – 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. 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, Ms. Latham moved to Brussels as a government affairs adviser for Microsoft Europe, Middle East and Africa. In 2001 she 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, she 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 (53) – 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.

Neil Campling (43) – Chief Financial Officer (with effect from 1 April 2014)

Neil Campling is a financial services professional with over 20 years experience spanning the investment, technology and research industries. He joins the Company from Aviate Global LLP, a boutique, thematic global equity financial services firm where he served as a partner and head of Global Tech & Media research for five years. Previously he held senior Portfolio Manager positions at leading investment firms dating back to 1994. Mr. Campling has been a TMT fund manager at New Star Asset Mgmt, Aberdeen Asset Mgmt and Prolific Asset Mgmt in Europe and the US. Mr. Campling is focused on the future EBITDA growth of the Company, increasing investor relations and stakeholder and communication, while working alongside the Executive to focus on the new corporate strategy.

Christopher de Putron (40) – Non Executive Director

Mr. de Putron is a financial services professional with over 17 years experience in the fiduciary industry in both Guernsey and Bermuda. He is the managing director of Jupiter Trustees Limited a Guernsey based independent fiduciary firm and a director of Capita Registrars (Guernsey) Limited. Previously he has worked at fiduciary companies in both Guernsey and Bermuda including Rothschild, Bank of Bermuda and HSBC.

Mr. de Putron has a business economics degree from the University of Wales and is a member of the Society of Trust and Estate Practitioners.

Mark De La Rue (45) - Non-Executive Director

Mr. De La Rue is a Fellow of the Association of Chartered Certified Accounts (ACCA) and a financial services professional with over 20 years experience in the accounting and fiduciary industries in Guernsey. He is a director of Jupiter Trustees Limited, a Guernsey based independent fiduciary firm.

Marc Vassanelli (43) – Non-Executive Director

Mr. Vassanelli brings extensive industry knowledge and success in growing businesses from established business services (while CFO of ConvergeOne) to media start ups (during his time as CEO and President of MV3 Ltd). He brings comprehensive experience in change management, having successfully managed the integration of Equiniti and Xafinity to form Equiniti Group (a $510m+ revenue UK BPO firm). He also led the turnaround of the $1.5bn EMEA region of Marsh (a portfolio company of Marsh & McLennan) ahead of becoming the Marsh EMEA CFO. Mr. Vassanelli's previous strategic, operational and financial roles spanning private equity, consulting and banking across multiple industries, will bring invaluable insight and knowledge to the iEnergizer Board. Mr. Vassanelli sits on the audit, remuneration and nomination committees of the Company.

John Behar (44) – Non Executive Director. (Resignation with effect 30 April 2014)

DIRECTORS' REPORT

The Directors present their report and the financial statements of iEnergizer Limited ("the Company") and it's Subsidiaries (collectively the "Group"), which covers the year from 1 April 2013 to 31 March 2014.

Principal activity and review of the business

The principal activity of the Company is that of providing Content Transformation Services and 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 nil p per share (FY2013 nil p).

Review of business and future developments

A review of the business and expected future developments of the Company are contained in the Chairman's statement attached to this report.

Directors and Directors' interests

The Directors of the Company during the year are attached to this report.

Directors remuneration

The Director's remuneration for the year ended 31 March 2014 was:

	Remuneration 2014 US$	Remuneration 2013 (US$)
Sara Latham	48,111	46,921
John Behar	47,936	46,874
Chris de Putron	16,158	15,810
Mark De La Rue	16,158	15,810
Total Director's Remuneration	**128,363**	**125,415**

Directors share option

During the year ended 31 March 2014, no key management personnel have exercised options granted to them.

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 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;
- The financial statements 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 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

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Neil Campling, Director

30 June 2014

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 insofar as they are appropriate given the Company's size and stage of development. In maintaining a corporate governance regime, the Company is prepared beyond that required by law for Guernsey companies, again in keeping with the Company's size and stage of development.

Board of Directors

The Board is responsible for the proper management of the Company. The Board comprises of two Executive Directors, Anil Aggarwal (CEO) and Neil Campling (CFO), and four Non-Executive Directors, Sara Latham (Chairman), Chris de Putron, Mark De La Rue and Marc Vassanelli. The resume of the board members is as outlined in the statement attached to this report.

The Executive Directors bring knowledge of the Business Process Outsourcing industry, the investment 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. 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. The sub-committees will meet at least once each year.

Audit Committee

The Audit committee comprises of Marc Vassanelli as chairman and Sara Latham. The committee is responsible for ensuring that the financial performance of the Company is properly monitored and reported on. The committee is also responsible 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 is also responsible for considering and making recommendations regarding the identity and remuneration of such auditors.

Remuneration Committee

The Remuneration committee comprises of Marc Vassanelli as chairman and Sara Latham. 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 Marc Vassanelli. 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 parts 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

To the members of Ienergizer Limited

We have audited the consolidated financial statements of Ienergizer Limited for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Other 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.

This report is made solely to the company'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 company'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 company and the company'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 explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on 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 consolidated 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 company'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. In addition, we read all the financial and non-financial

information in the Annual Report to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- comply with 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:

Under The Companies (Guernsey) Law, 2008 we are required to report to you, if in our opinion:

- proper accounting records have not been kept by the Company; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not obtained 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

30 June 2014

Consolidated Statement of Financial Position

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

	Notes	As at 31 March 2014	As at 31 March 2013
ASSETS			
Non-current			
Goodwill	**7**	102,276,420	102,289,911
Other intangible assets	**8**	27,461,845	31,677,970
Property, plant and equipment	**9**	5,800,324	3,867,301
Long- term financial asset	**10**	1,014,221	1,676,923
Deferred tax asset	**11**	10,311,226	7,578,368
Non-current assets		146,864,036	147,090,473
Current			
Trade and other receivables	**12**	34,027,675	28,150,952
Cash and cash equivalents	**13**	12,513,110	20,903,133
Short- term financial assets	**14**	5,337,639	4,694,797
Current tax asset		685,100	484,752
Other current assets	**15**	1,746,830	1,646,247
Current assets		54,310,354	55,879,881
Total assets		201,174,390	202,970,354
EQUITY AND LIABILITIES			
Equity			
Share capital		3,195,334	3,195,334
Share compensation reserve		63,986	63,986
Additional paid in capital		11,009,480	11,009,480
Merger reserve		(1,049,386)	(1,049,386)
Retained earnings		43,325,693	23,180,758
Other components of equity		(5,738,256)	(2,897,780)
Total equity attributable to equity holders of the parent		50,806,851	33,502,392

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

	Notes	As at 31 March 2014	As at 31 March 2013
Liabilities			
Non-current			
Long term borrowings	**16**	105,869,584	772,126
Employee benefit obligations	**18**	4,769,922	4,585,758
Other non-current liabilities		475,535	135,257
Deferred tax liability	**11**	2,127,710	2,367,622
Non-current liabilities		**113,242,751**	**7,860,763**
Current			
Trade and other payables	**17**	10,065,974	16,993,092
Employee benefit obligations	**18**	748,267	904,319
Current tax liabilities		619,930	1,837,325
Current portion of long term borrowings	**16**	15,616,847	518,063
Short term borrowings		-	132,500,000
Other current liabilities	**19**	10,073,770	8,854,400
Current liabilities		**37,124,788**	**161,607,199**
Total equity and liabilities		**201,174,390**	**202,970,354**

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

The Consolidated Financial Statements have been approved and authorized for issue by the Board of Directors on 30 June 2014.

Neil Campling
Director

Consolidated Income Statement

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

	Notes	For the year ended 31 March 2014	For the year ended 31 March 2013
Income			
Revenue from operations		153,687,075	146,094,817
Other income	20	1,758,372	4,225,222
		155,445,447	**150,320,039**
Cost and expenses			
Outsourced service cost		35,651,754	31,503,396
Employee benefits expense		59,464,114	56,799,779
Depreciation and amortisation		6,650,637	6,644,912
Other expenses		22,481,036	17,612,767
		124,247,541	**112,560,854**
Operating profit		31,197,906	37,759,185
Finance income	21	515,549	83,148
Finance cost	22	(9,973,270)	(8,148,274)
Profit before tax		**21,740,185**	**29,694,059**
Income tax expense	23	1,595,250	6,275,724
Profit for the year attributable to equity holders of the parent		**20,144,935**	**23,418,335**
Earnings per share	24		
Basic		*0.13*	*0.15*
Diluted		*0.13*	*0.15*
Par value of each share in GBP		*0.01*	*0.01*

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

Consolidated Statement of Comprehensive Income

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

	For the year ended 31 March 2014	For the year ended 31 March 2013
Profit after tax for the year	**20,144,935**	**23,418,335**
Items that will be reclassified subsequently to income statement		
Exchange differences on translating foreign operations	(2,705,472)	(1,731,028)
Income tax relating to items that will be reclassified	-	-
Items that will not be reclassified subsequently to income statement		
Remeasurement of the net defined benefit liability	(208,375)	-
Income tax relating to items that will not be reclassified	73,371	-
Other comprehensive income for the year, net of tax	**(2,840,476)**	**(1,731,028)**
Total comprehensive income attributable to equity holders, net of tax	**17,304,459**	**21,687,307**

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

Consolidated Statement of Changes in Equity

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

	Share capital	Additional paid in Capital	Share compensation reserve	Merger reserve	Other component of equity	Retained earnings	Total equity
Balance as at 01 April 2012	**3,195,334**	**11,009,480**	**63,986**	**(1,049,386)**	**(1,166,752)**	**19,201,520**	**31,254,182**
Issue of ordinary shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(19,439,097)	**(19,439,097)**
Transaction with owners	**-**	**-**	**-**	**-**	**-**	**(19,439,097)**	**(19,439,097)**
Profit for the year	-	-	-	-	-	23,418,335	23,418,335
Other comprehensive income							
Exchange difference on translating foreign operations	-	-	-	-	(1,731,028)	-	**(1,731,028)**
Total comprehensive income for the year	-	-	-	-	(1,731,028)	23,418,335	21,687,307
Balance as at 31 March 2013	**3,195,334**	**11,009,480**	**63,986**	**(1,049,386)**	**(2,897,780)**	**23,180,758**	**33,502,392**

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

Consolidated Statement of Changes in Equity

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

	Share capital	Additional Paid in Capital	Share compensation reserve	Merger reserve	Other components of equity		Retained earnings	Total equity
					Foreign currency translation reserve	Net defined benefit liability		
Balance as at 01 April 2013	**3,195,334**	**11,009,480**	**63,986**	**(1,049,386)**	**(2,897,780)**	**-**	**23,180,758**	33,502,392
Issue of ordinary shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Profit for the year	-	-	-	-	-	-	20,144,935	20,144,935
Other comprehensive income	-	-	-	-	(2,705,472)	(135,004)	-	(2,840,476)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(2,705,472)**	**(135,004)**	**20,144,935**	17,304,459
Balance as at 31 March 2014	**3,195,334**	**11,009,480**	**63,986**	**(1,049,386)**	**(5,603,252)**	**(135,004)**	**43,325,693**	50,806,851

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

Consolidated Statement of Cash Flows

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

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities		
Profit before tax	21,740,185	29,694,060
Adjustments		
Depreciation and amortisation	6,650,637	6,644,912
Write-off balances due from subsidiaries	-	66,561
Loss on disposal of property, plant and equipment (net)	18,025	9,783
Trade receivables written-off	-	195,367
Provision for other receivables	3,944,396	-
Amortization of loan processing fee	1,040,068	-
Sundry balances written back	(88,917)	(6,167)
Unrealised foreign exchange loss/ (gain)	138,220	(1,137,433)
Finance income	(515,549)	(83,148)
Finance cost	9,973,270	8,148,274
	42,900,335	**43,532,209**
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(12,704,332)	(2,749,020)
Decrease/ (Increase) in other assets (current and non-current)	1,341,513	(1,696,837)
(Decrease)/ Increase in trade payables and other liabilities (current and non-current)	(7,248,029)	6,246,636
(Decrease)/ Increase in employee benefit obligations (current and non-current)	(205,927)	725,885
Cash generated from operations	**24,083,560**	**46,058,873**
Income taxes paid	(5,839,021)	(3,574,023)
Net cash generated from operating activities	**18,244,539**	**42,484,850**
Cash flow for investing activities		
Payments for purchase of property plant and equipment	(3,959,453)	(2,401,018)
Payments for purchase of other intangible assets	(866,439)	(839,249)
Interest received	515,549	83,148
Proceeds from disposal of property, plant & equipment	35,599	750,290
Net cash used in investing activities	**(4,274,744)**	**(2,406,829)**

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from financing activities		
Interest paid	(8,854,051)	(8,148,274)
Dividends paid to equity holders of the parent	-	(19,439,098)
Proceeds from long-term borrowings	135,000,000	-
Repayment of short-term borrowings	(132,500,000)	(2,146,847)
Payment of loan processing fee	(5,725,000)	-
Repayment of long-term borrowings	(10,118,826)	-
Net cash used in financing activities	**(22,197,877)**	**(29,734,219)**
Net (decrease)/ increase in cash and cash equivalents	(8,228,082)	10,343,802
Cash and cash equivalents at the beginning of the year	20,903,133	11,478,220
Effect of exchange rate changes on cash	(161,941)	(918,889)
Cash and cash equivalents at the end of the year	**12,513,110**	**20,903,133**
Cash and cash equivalents comprise		
Cash in hand	13,970	55,138
Balances with banks in current account	12,499,140	20,769,155
Balances with banks in deposit account	-	78,840
	12,513,110	**20,903,133**

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

Notes to the 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.

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 was listed on the Alternative Investment Market ('AIM') of London Stock Exchange on 14 September 2010.

iEnergizer through its subsidiaries iEnergizer Holdings Limited, iEnergizer IT Services Private Limited, iEnergizer Management Services Limited, iEnergizer BPO Limited, iEnergizer Aptara Limited and Aptara Inc and subsidiaries. (together the 'Group') is engaged in the business of call centre operations, providing business process outsourcing (BPO) and content delivery services, 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 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION

The Group's consolidated financial statements include financial statements of iEnergizer Limited, the parent company and all of its subsidiaries for the year ended 31 March 2014. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. iEnergizer obtains and exercises control through more than half of the voting rights of the entity.

All intra-company balances, transactions, income and expenses including unrealized income or expenses are eliminated in full on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3.2 FOREIGN CURRENCY TRANSLATION

These consolidated financial statements are presented in USD ('United States Dollar'), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statement of each entity are measured using that functional currency. The functional currency of each entity has been determined on the basis of the primary economic environment in which each entity of the Group operates.

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 and the resultant foreign exchange gain or loss on re-measurement of monetary item or settlement of such transactions are recognised in the consolidated income statement

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

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than USD (the Group's presentation currency) are translated into USD upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period.

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. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate.

3.3 REVENUE RECOGNITION

Revenue comprises revenue from call center operations, providing business process outsourcing (BPO) and also content process outsourcing solutions. These services are rendered through contractual arrangements entered into with customers by the Group companies.

Rendering of services

Revenue relating to services billable on hourly/daily basis is recognized as the time is incurred.

In relation to fixed price contracts as the outcome of the related transactions cannot be estimated reliably and it is not probable that the costs incurred will be recovered until the services have been rendered and accepted by the customers, revenue is only recognized at such time and the associated costs are recognized as an expense when incurred.

Amounts billed, where revenue recognition criteria have not been met are recorded as deferred revenue and are recognized when all the recognition criteria have been met.

Finance income

Finance income consists of interest income on funds invested. Finance income is recognised as it accrues in consolidated income statement, using the effective interest rate method.

3.4 PROPERTY, PLANT AND EQUIPMENT

Items of plant and equipment are 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.

Assets acquired under finance leases are capitalised as assets by the Group at the lower of the fair value of the leased property or the present value of the related lease payments or where applicable, the estimated fair value of such assets at the inception of the lease. Assets under finance leases and leasehold improvements are depreciated over the shorter of the lease-term or the estimated useful life of the assets.

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

Asset	Useful Life
Computers and data equipment	2 to7 years
Office equipment	5 years
Furniture and fixtures	1 to 7 years
Air conditioners and generators	10 years
Vehicles	4 to 7 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.

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 statement of financial position date and the cost of property, plant and equipment not put to use before such date are disclosed as 'Capital work-in-progress'.

3.5 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. The impairment analysis of goodwill is carried out annually at cash generating unit (CGU) level to evaluate whether events or changes have occurred that would suggest an impairment of carrying value.

3.6 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.

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. Intangibles with definite useful lives are amortised on a straight line basis 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 are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition 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, intangibles with indefinite useful lives are subject to impairment testing annually. Amortisation has been included within 'depreciation and amortisation'. The following useful lives are applied:

• Software: 2-5 years
• Customer contracts and relationships: 0-7 years
• Trademark and patents (having indefinite life): Tested for impairment annually

3.7 LEASES

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. Rent abatements and escalations are considered in the calculation of minimum lease payments in the Group's capital lease testing and in determining straight line rent expense for operating leases.

3.8 ACCOUNTING FOR INCOME TAXES

Income tax expense recognised in the consolidated income statement comprise of current and deferred tax. Income tax expense is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred income tax is not recognised for the following temporary differences:

(i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and
(ii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in consolidated income statement, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.9 POST EMPLOYMENT BENEFITS, SHORT-TERM AND LONG TERM EMPLOYEE BENEFITS AND EMPLOYEE COSTS

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds, approved superannuation schemes and other social securities which are defined contribution plans are recognised as an employee benefit expense in the consolidated income statement when they are incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method. During the year ended 31 March 2014, the Company has applied IAS 19 (as revised in June 2011) Employee Benefits and the related consequential amendments. IAS 19R has been applied retrospectively in accordance with transitional provisions. As a result, all actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from consolidated income statement.

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Group's policy and receive cash in lieu thereof. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

3.10 IMPAIRMENT TESTING OF FINANCIAL ASSETS, GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the consolidated income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the consolidated income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use or its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination and represent the lowest level within the Group at which management monitors goodwill.

An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in consolidated income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying

amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through consolidated income statement, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

Non-derivative financial assets consist of investments in equity, trade receivables, certain other assets, cash and cash equivalents.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss

The category determines subsequent measurement and whether any resulting income and expense is recognised in consolidated income statement.

All income and expenses relating to financial assets that are recognised in the consolidated income statement are presented within 'finance costs', 'finance income' or 'other financial items, as applicable.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

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 and which are subject to an insignificant risk of changes in value.

Restricted deposits

Restricted deposits consist of deposits pledged with government authorities for the Group's Indian subsidiaries and deposits restricted as to usage under lien to banks for guarantees given by the Company.

Others

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

The Group holds derivative financial instruments to hedge its foreign currency exposure. The Group does not apply hedge accounting to these instruments.

Derivatives are recognised initially at fair value; transaction costs are recognised in the consolidate income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the consolidated income statement.

Financial liabilities

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments. Trade and other payables and borrowings are initially measured at fair value and subsequently measured at amortised cost using effective interest rate method. They are included in the consolidated statement of financial position line items 'long-term liabilities' and 'trade and other payables'.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the consolidated income statement.

Dividend distributions to shareholders are included in 'other current liabilities' when the dividends are approved by the shareholders' meeting.

3.12 OFFSETTING OF FINANCIAL INSTRUMENTS

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

3.13 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 statement of financial position 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.

3.14 BUSINESS COMBINATIONS

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

For common control transactions, not covered under IFRS 3 (revised), the Group applies pooling of interest method. Under a pooling of interests-type method, the acquirer accounts for the combination as follows:

- The assets and liabilities of the acquiree are recorded at book value not fair value (although adjustments should be recorded to achieve uniform accounting policies);
- Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS (in particular IAS 38);
- No goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented as a separate reserve within equity on consolidation;
- Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities (as adjusted to achieve uniform accounting policies);
- Any expenses of the combination are written off immediately in the income statement;
- Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

3.15 EQUITY

Share capital is determined using the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from additional paid-in capital, net of any related income tax benefits.

Foreign currency translation differences on translation of foreign operations are included in the currency translation reserve.

Other components of equity include the following:

- Re-measurement of net defined benefit liability – comprises the actuarial losses from changes in actuarial assumptions and the return on plan assets
- translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into USD

Retained earnings include all current and prior period earnings, as disclosed in the consolidated income statement.

Share compensation reserve includes cumulative share-based remuneration recognised as an expense in consolidated income statement.

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.

All transactions with owners of the parent are recorded separately within equity.

3.16 SHARE BASED PAYMENTS

The Group operates equity-settled share based plans for one of its directors and a consultant. Where persons are rewarded using share based payments, the fair values of services rendered by director and others are determined indirectly by reference to the fair value of the equity instruments granted, where the fair value of the services received cannot be reliably measured. This fair value is calculated using the Black Scholes model at the respective measurement date. In the case of employees and others providing services, 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 in consolidated income statement with a corresponding credit to share compensation reserve.

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 and any impact of the change is recorded in the year in which that change occurs.

3.17 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:

Determination of functional currency of individual entities
Following the guidance in IAS 21 "The effects of changes in foreign exchange rates" the functional currency of each individual entity is determined by the management based on the currency of the primary economic environment in which the entity operates. The management believes that each of the individual entity's functional currency reflects the transactions, events and conditions under which the entity conducts its business.

Goodwill impairment review
In assessing goodwill impairment, management makes judgment in identifying the cash-generating units (CGU) to which the goodwill pertains. Management then estimates the recoverable amount of each asset based on expected future cash flows. The recoverable amount of the CGU is determined based on the value-

in-use calculations. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable growth and discount rate (see note 7).

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Post-employment 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, expected return on plan assets, 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 high quality 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.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The carrying amounts are analysed in notes 8 and 9. Actual results, however, may vary due to technical obsolescence.

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.

4. NEW AND REVISED STANDARDS THOSE ARE EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013, except for amendment to IAS 1 Presentation of Financial Statements which is effective for annual periods beginning on or after 1 July 2012. Information on these new standards is presented below.

- **Amendment to IAS 1 Presentation of Financial Statements**

This amendment does not affect which items are presented in other comprehensive income, but does change the structure of their presentation. The main change is a requirement for entities to group items in other comprehensive income into those that will not subsequently be reclassified to profit or loss and those that will subsequently be reclassified to profit or loss when specific conditions are met. Whether an item will or will not be reclassifies is determined by the relevant IFRS applying to them. The adoption of amendment to IAS 1 has no impact on the recognized assets, liabilities and comprehensive income of the Group.

- **Amendments to IFRS 7 Disclosures- Offsetting Financial Assets and Financial Liabilities**

The Group has applied the Amendments to IFRS 7 Disclosures- Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights to offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement,

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognized in the consolidated financial statements.

- **IFRS 13 Fair Value Measurement**

In May, 2011, the IASB issued IFRS 13 "*Fair Value Measurements*". IFRS 13 defines fair value, provides single IFRS framework for measuring fair value and requires disclosure about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value or change what is measured at fair value in IFRSs or address how to present changes in fair value. The adoption of this accounting standard including consequential amendments did not have any material impact on the consolidated financial statements of the Group.

- **Amendments to IAS 19 Employee Benefits**

The 2011 amendments to IAS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income.

- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability.

- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

The Group has adopted Revised IAS 19 and has recorded the impact of this in the consolidated financial statements. The comparative information has not been restated as the cumulative effect of the change in the accounting policy is not material to the consolidated financial statements.

5. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE GROUP

Summarised in the paragraphs below are standards, interpretations or amendments that have been issued prior to the date of approval of these consolidated financial statements and will be applicable for transactions in the Group but are not yet effective. These have not been adopted early by the Group and accordingly, have not been considered in the preparation of the consolidated financial statements of the Group.

Management anticipates that all of these pronouncements will be adopted by the Group in the first accounting period beginning after the effective date of each of the pronouncements. Information on the new standards, interpretations and amendments that are expected to be relevant to the Group's consolidated financial statements is provided below.

- **IFRS 9** *Financial Instruments Classification and Measurement*

In November 2009, the IASB issued IFRS 9 "Financial Instruments: Classification and Measurement" ("IFRS 9"). This standard introduces certain new requirements for classifying and measuring financial assets and liabilities and divides all financial assets that are currently in the scope of IAS 39 into two classifications, those measured at amortised cost and those measured at fair value. In October 2010, the IASB issued a revised version of IFRS 9, "Financial Instruments" ("IFRS 9 R"). The revised standard adds guidance on the classification and measurement of financial liabilities. IFRS 9 R requires entities with financial liabilities designated at fair value through profit or loss to recognise changes in the fair value due to changes in the liability's credit risk in other comprehensive income. However, if recognizing these changes in other comprehensive income creates an accounting mismatch, an entity would present the entire change in fair value within profit or loss. There is no subsequent recycling of the amounts recorded in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity.

The management is currently evaluating the impact that this new standard will have on its consolidated financial statements.

- **IFRS 10** *Consolidated Financial Statements*

In May 2011, the IASB issued IFRS 10 "Consolidated Financial Statements" ("IFRS 10") which replaces consolidation requirements in IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation — Special Purpose Entities" and builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. This pronouncement is effective for the annual period beginning on or after January 1, 2014 with earlier application permitted so long as this standard is applied together with other four standards as mentioned below:

IFRS 11 **"**Joint Arrangements**"**
IFRS 12 **"**Disclosure of Interest in Other Entities**"**
IAS 27 (Revised) **"**Separate Financial Statements**"**
IAS 28 (Revised) **"**Investments in Associates and Joint Ventures**"**

The remainder of IAS 27, "Separate Financial Statements", now contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable in the Group's consolidated financial statements.

- **IFRS 11** *Joint Arrangements*

"Joint Arrangements" ("IFRS 11"), which replaces IAS 31, "Interests in Joint Ventures" and SIC-13, "Jointly Controlled Entities — Non-monetary Contributions by Ventures", requires a single method, known as the equity method, to account for interests in joint operations and joint ventures. The proportionate consolidation method to account for joint ventures is no longer permitted to be used. IAS 28, "Investments in Associates and Joint Ventures", was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now sets out the requirements for the application of the equity method when accounting for joint ventures. The application of the equity method has not changed as a result of this amendment.

- **IFRS 12** *Disclosure of interest in other entities*

"Disclosure of Interest in Other Entities" is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11.

Further, in June 2012, IASB published 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance' as amendments to IFRS 10, IFRS 11 and IFRS 12. These amendments are intended to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

The Group will be adopting IFRS 10, IFRS 11 and IFRS 12 effective for periods beginning on or after 1 Jan 2014. The Group is currently evaluating the impact of the above pronouncements on the Group's consolidated financial statements.

- **IFRS 15** *Revenue from contracts with customers*

The International Accounting Standards Board (IASB) has published a new standard, IFRS 15 Revenue from Contracts with customers. This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue- Barter Transactions involving advertising services. It sets out the requirements for recognising revenue that apply to contracts with customers, except for those covered by standards on leases, insurance contracts and financial instruments.

The new standard is effective for reporting periods beginning on or after 1 January 2017 with early adoption permitted. It applies to new contracts created on or after the effective date and to the existing contracts that are not yet complete as of the effective date.

The Group will be adopting IFRS 15 effective for periods beginning on or after 1 Jan 2017. The Group is currently evaluating the impact of the above pronouncements on the Group's consolidated financial statements.

6. BASIS OF CONSOLIDATION

Composition of the Group

Details of the entities, which as of 31 March 2014 form part of the Group and are consolidated under iEnergizer are as follows:

Name of the entity	Holding company	Country of incorporation	Effective group shareholding (%) as of 31 March 2014
iEnergizer Holdings Limited ('IHL')	iEnergizer	Mauritius	100
iEnergizer IT Services Private Limited ('IITS')	IHL	India	100
iEnergizer BPO Limited	IHL	Mauritius	100
iEnergizer Management Services Limited	IHL	Hong Kong	100
Aptara Inc.	iEnergizer	USA	100
Techbooks International Private Limited	Aptara Inc.	India	100
Techbooks Electronic Services Private Limited	Aptara Inc.	India	100
Global Content Transformation Private Limited	Aptara Inc.	India	100
Maximize Learning Private Limited	Aptara Inc.	India	100
Aptara Learning Private Limited	Aptara Inc.	India	100
Aptara New Media Private Limited	Aptara Inc.	India	100
Aptara Technologies Private Limited	Aptara Inc.	India	100
iEnergizer Aptara Limited	iEnergizer	Mauritius	100

GOODWILL

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

Particulars	Amount
Balance as at 01 April 2012	102,300,503
Impairment loss recognised	-
Translation adjustment	(10,592)
Balance as at 31 March 2013	**102,289,911**

Particulars	Amount
Balance as at 01 April 2013	**102,289,911**
Impairment loss recognised	-
Translation adjustment	(13,491)
Balance as at 31 March 2014	**102,276,420**

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

Particulars	Amount
Real time processing - India business unit	141,596
Content delivery – USA business unit	102,134,824
Goodwill allocation as at 31 March 2014	**102,276,420**

The recoverable amounts of the CGU was determined based on value-in-use calculations, by applying Free Cash Flow to Firm ('FCFF') method, covering a three year forecast of expected cash flows for the unit's remaining useful lives using the growth rates stated below:

Particulars	Growth rate 31 March 2014	Discount rate 31 March 2014
Real time processing - India business unit	15.00%	14.13%
Content delivery – USA business unit	13.20%	15.33%

The key assumptions are as follows:

Growth rates

The forecasted growth rates are based on management estimation derived from past experience, comparable company data and external sources of information available. The Group is expected to continue to grow at above rates for the foreseeable future as it is getting work from customers on a continued basis rather than a one-time work. During the year, the Company tied up with major customers and witnessed steady increase in business from major customers.

Discount rates

Discount rates reflect management's estimates of the risks specific to the business. The pre-tax discount rates used are based on the weighted average cost of capital of the relevant underlying cash-generating unit.

Cash flow assumptions

Estimated cash flows for 3 years based on internal management budgets prepared using past experience. Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Terminal value

Terminal value for the USA business unit is arrived by applying 10.18x multiple to the EBITDA in the last year of the explicit forecast period. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

These assumptions are based on past experience and are consistent with market information.

7. OTHER INTANGIBLE ASSETS

The other intangible assets comprise of the following:

Particulars	Customer Contracts	Computer software	Patent	Trade mark	Intangibles under development	Total
Cost						
Balance as at 01 April 2012	24,161,846	712,350	100,000	12,000,000	270,114	37,244,310
Additions	-	839,249	-	-	-	839,249
Disposals	-	(33,216)	-	-	(104,894)	(138,110)
Translation adjustment	(11,848)	(47,025)	-	-	-	(58,873)
Balance as at 31 March 2013	**24,149,998**	**1,471,358**	**100,000**	**12,000,000**	**165,220**	**37,886,576**
Accumulated amortization						
Balance as at 01 April 2012	1,081,659	221,418	-	-	-	1,303,076
Amortisation for the year	4,219,358	744,057	-	-	-	4,963,415
Disposals	-	(30,762)	-	-	-	(30,762)
Translation adjustment	(11,708)	(15,415)	-	-	-	(27,123)
Balance as at 31 March 2013	**5,289,308**	**919,298**	**-**	**-**	**-**	**6,208,606**
Net carrying value as at 31 March 2013	**18,860,690**	**552,060**	**100,000**	**12,000,000**	**165,220**	**31,677,970**

Particulars	Customer contracts	Computer softwares	Patent	Trade mark	Intangibles under development	Total
Cost						
Balance as at 01 April 2013	24,149,998	1,471,358	100,000	12,000,000	165,220	37,886,576
Additions	-	866,439	-	-	-	866,439
Disposals	-	-	-	-	(7,885)	(7,885)
Translation adjustment	(15,088)	(102,234)	-	-	(24,845)	(142,167)
Balance **as at 31 March 2014**	24,134,910	2,235,563	100,000	12,000,000	132,490	38,602,963
Accumulated depreciation						
Balance as at 01 April 2013	5,289,308	919,298	-	-	-	6,208,606
Depreciation for the period	4,216,187	781,265	-	-	-	4,997,452
Disposals	-	-	-	-	-	-
Translation adjustment	(7,786)	(57,154)	-	-	-	(64,940)
Balance as **at 31 March 2014**	9,497,709	1,643,409	-	-	-	11,141,118
Carrying values as at 31 March 2014	**14,637,201**	**592,154**	**100,000**	**12,000,000**	**132,490**	**27,461,845**

Intangible assets with indefinite useful lives

For the purpose of annual impairment testing trademark and patent is allocated to the 'Content delivery' business of the Company with respect to the US business unit.

The net carrying amount of intangible assets with indefinite lives can be analysed as follows:

Particulars	Amount
Balance as at 01 April 2012	12,100,000
Impairment loss recognised	-
Translation adjustment	-
Balance as at 31 March 2013	**12,100,000**

Particulars	Amount
Balance as at 01 April 2013	12,100,000
Impairment loss recognised	-
Translation adjustment	-
Balance as at 31 March 2014	**12,100,000**

The recoverable amounts of the CGU was determined based on value-in-use calculations, by applying Free Cash Flow to Firm ('FCFF') method, covering a three year forecast, followed by an extrapolation of expected cash flows for the unit's remaining useful lives. For assumptions used refer Note-7 on Goodwill.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Particulars	Computer and data equipment	Office equipment	Furniture and fixtures	Air conditioner and generator	Vehicle	Leasehold improvements	Plant and machinery	Finance lease asset	Capital work in progress	Total
Cost										
Balance as at 01 April 2012	1,152,025	131,816	358,094	149,997	19,399	678,160	663,964	1,147,719	442,582	**4,743,756**
Additions	900,075	41,043	37,899	1,264	14,885	375,108	255,331	580,983	193,800	**2,400,388**
Disposals	(9,872)	-	-	-	-	-	-	(56,581)	(608,014)	**(674,467)**
Translation adjustment	(71,911)	(8,235)	(19,079)	(9,587)	(1,241)	(15,802)	(37,320)	(70,721)	(28,368)	**-262,264**
Balance as at 31 March 2013	**1,970,317**	**164,624**	**376,914**	**141,674**	**33,043**	**1,037,466**	**881,975**	**1,601,400**	**-**	**6,207,413**
Accumulated depreciation										
Balance as at 01 April 2012	312,786	11,144	128,556	18,449	7,497	105,644	74,186	70,661	-	**728,923**
Depreciation for the period	487,632	42,715	106,805	14,082	3,741	226,612	318,147	481,763	-	**1,681,497**
Disposals	(3,715)	-	-	-	-	-	-	(18,047)	-	**(21,762)**
Translation adjustment	(23,434)	(726)	(7,894)	(1,206)	(486)	(6,697)	(3,929)	(4,174)	-	**(48,546)**
Balance as at 31 March 2013	**773,269**	**53,133**	**227,467**	**31,325**	**10,752**	**325,559**	**388,404**	**530,203**	**-**	**2,340,112**
Net carrying values as at 31 March 2013	**1,197,048**	**111,491**	**149,447**	**110,349**	**22,291**	**711,907**	**493,571**	**1,071,197**	**-**	**3,867,301**

Particulars	Computer and data equipment	Office Equipment	Furniture and fixtures	Air conditioner and generator	Vehicle	Leasehold improvements	Plant and machinery	Finance lease asset	Capital work in progress	Total
Cost										
Balance as at 01 April 2013	1,970,317	164,624	376,914	141,674	33,043	1,037,466	881,975	1,601,400	-	6,207,413
Additions	1,237,049	70,137	221,568	34,644	-	242,673	334,182	(1,584)	1,820,784	3,959,453
Disposals	(74,703)	(1,631)	(4,002)	-	-	-	(33,873)	(1,991)	421	(115,779)
Translation adjustment	(150,934)	(14,679)	(26,196)	(12,310)	(1,580)	(88,880)	(67,851)	(132,094)	-	(494,524)
Balance **as at 31 March 2014**	**2,981,729**	**218,451**	**568,284**	**164,008**	**31,463**	**1,191,259**	**1,114,433**	**1,465,731**	**1,821,205**	**9,556,563**
Accumulated depreciation										
Balance as at 01 April 2013	**773,269**	**53,133**	**227,467**	**31,325**	**10,752**	**325,559**	**388,404**	**530,203**	**-**	**2,340,112**
Depreciation for the year	585,679	47,411	100,333	12,778	6,990	241,347	266,750	391,897	-	1,653,185
Disposals	(35,355)	(814)	(1,484)	-	-	-	(31,135)	(1,252)	-	(70,040)
Translation adjustment	(11,924)	(4,593)	(15,992)	(2,605)	(894)	(26,291)	(27,770)	(76,949)	-	(167,018)
Balance **as at 31 March 2014**	**1,311,669**	**95,137**	**310,324**	**41,498**	**16,848**	**540,615**	**596,249**	**843,899**	**-**	**3,756,239**
Net carrying values as at 31 March 2014	**1,670,060**	**123,314**	**257,960**	**122,510**	**14,615**	**650,644**	**518,184**	**621,832**	**1,821,205**	**5,800,324**

Borrowing cost capitalised during 31 March 2014: Nil (31 March 2013: Nil)

10 LONG TERM FINANCIAL ASSETS

Particulars	31 March 2014	31 March 2013
Security deposits	854,256	713,937
Restricted cash	85,226	596,174
Deposits with banks	74,739	365,898
Others	-	914
	1,014,221	**1,676,923**

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 1-5 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. These deposits have an average maturity period of more than 12 months from the end of the financial year.

11 DEFERRED TAX ASSETS AND LIABILITIES

Particulars	31 March 2013	Exchange difference on translation of foreign operations	Recognised in consolidated statement of other comprehensive income	Recognised in consolidated income statement	31 March 2014
Deferred tax assets on account of					
Property, plant and equipment and intangibles	739,628	(18,785)	-	1,719	722,562
Employee benefits	719,066	(60,338)	73,731	84,894	817,353
Net operating losses	7,345,342	-	-	2,936,773	10,282,115
Accruals for expenses	1,087,816	(64,042)	-	(34,467)	989,307
Unrealised (loss) on derivatives	5,230	10,653	-	(15,466)	417
Minimum alternate tax	1,198,912	(130,634)	-	295,216	1,363,494
Others	1,055,523	(4,246)	-	2,015,752	3,067,029
	12,151,517	**(267,392)**	**73,731**	**5,284,781**	**17,242,277**
Deferred tax liabilities on account of					
Intangibles acquired during business combination	(1,628,933)	-	-	265,412	(1,363,521)
Undistributed earnings of the subsidiaries	(5,204,424)	402,342	-	(2,893,158)	(7,695,240)
Unrealised gain on derivatives	(107,414)	-	-	107,414	-
	(6,940,771)	**402,342**	**-**	**(2,520,332)**	**(9,058,761)**
Total	**5,210,746**	**134,950**	**73,731**	**2,764,089**	**8,183,516**
Amounts presented in consolidated statement of financial position					
Deferred tax assets	7,578,368	-	-	-	10,311,226
Deferred tax liabilities	(2,367,622)	-	-	-	(2,127,710)

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations and the remeasurement of net defined benefit liability. Refer consolidated statement of comprehensive income for the amount of the income tax relating to these components of other comprehensive income.

In assessing the realisability of deferred tax assets, the Company considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of the deferred tax asset considered realizable, however, could be

reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The Company has recognized deferred tax assets of USD 10,282,115 in respect of carry forward losses of its various subsidiaries as at 31 March 2014. Management's projections of future taxable income and tax planning strategies support the assumption that it is probable that sufficient taxable income will be available to utilize these deferred tax assets.

12 TRADE AND OTHER RECEIVABLES

Particulars	31 March 2014	31 March 2013
Trade receivables		
Gross value	36,452,588	26,566,424
Less: Provision for bad and doubtful debts	(568,511)	(613,407)
Less: Rebate accruals	(1,856,402)	(1,353,615)
Net value	34,027,675	24,599,402
Other receivables		
Gross value	3,989,292	3,551,550
Less: Provision for bad and doubtful receivables	(3,989,292)	-
Net value	-	3,551,550
	34,027,675	**28,150,952**

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.

Top five customers balances for the year ended 31 March 2014 amounts to USD 13,102,299 which constitutes 34.46% (31 March 2013: USD 11,929,853 being 42.38 %) of net trade receivables.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain receivables were found to be impaired and an allowance for credit losses of USD 3,944,396 (2013: USD 146,619) has been recorded accordingly within other expenses. The impaired receivables are mostly due from parties that are experiencing financial difficulties.

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

Particulars	31 March 2014	31 March 2013
Opening balance	613,407	466,788
Provision made during the year	-	156,747
Provision reversed	(44,896)	(10,128)
Closing balance	**568,511**	**613,407**

The analysis for provision for other receivables is as follows:

Particulars	31 March 2014	31 March 2013
Opening balance	-	-
Provision made during the year	3,989,292	-
Provision reversed	-	-
Closing balance	**3,989,292**	**-**

The analysis of rebate accruals is as follows:-

Particulars	31 March 2014	31 March 2013
Opening balance	1,353,615	954,813
Less: Rebates utilised during the period	(1,875,272)	(1,324,024)
Add: Rebates provided to customers during the year	2,378,059	1,722,826
Closing balance	**1,856,402**	**1,353,615**

13 CASH AND CASH EQUIVALENTS

Particulars	31 March 2014	31 March 2013
Cash in hand	13,970	55,138
Cash in current accounts	12,499,140	20,769,155
Fixed deposit accounts	-	78,840
	12,513,110	**20,903,133**

14 SHORT TERM FINANCIAL ASSETS

Particulars	31 March 2014	31 March 2013
Security deposits	212,869	24,625
Restricted cash	2,894,057	3,093,644
Short term investments (fixed deposits with maturity less than 12 months)	942,904	993,859
Derivative financial instruments	1,166,654	397,712
Due from officers and employees	120,841	175,532
Others	314	9,425
	5,337,639	**4,694,797**

Short term investments comprise of investment through banks in deposits denominated in various currency units bearing fixed rate of interest.

15 OTHER CURRENT ASSETS

Particulars	31 March 2014	31 March 2013
Prepayments	1,525,227	974,161
Statutory dues recoverable	40,216	315,842
Others	181,387	356,244
	1,746,830	**1,646,247**

16 LONG TERM BORROWINGS/SHORT TERM BORROWINGS

Non-current portion of borrowings

Particulars	31 March 2014	31 March 2013
Finance lease obligation	756,296	1,290,189
Term loan from others*	120,730,135	-
Total long-term borrowings	**121,486,431**	**1,290,189**

Less: Current portion of borrowings		
Finance lease obligation	491,847	518,063
Term loan from others*	15,125,000	-
	15,616,847	**518,063**
	105,869,584	**772,126**

Short term borrowings

Particulars	31 March 2014	31 March 2013
Loan from parent company	-	20,000,000
Loan from others	-	112,500,000
	-	**132,500,000**

* In May 2013, iEnergizer Limited and its subsidiary Aptara Inc signed a credit agreement with the syndication of lending institutions and syndication agent Jefferies Finance LLC, for a term loan of US$ 135,000,000 repayable in quarterly instalments which commenced on 30 September 2013. The loan bears interest at a rate per annum equal to Alternate Base Rate currently at 2.25% plus 5% per annum. iEnergizer Limited and Aptara Inc. have drawn entire loan of USD 135,000,000 during the current financial year.

The term loan is secured by all the assets of iEnergizer Limited and its subsidiaries Aptara Inc, iEnergizer Holdings Ltd, iEnergizer Aptara Ltd and iEnergizer BPO Ltd.

17 TRADE AND OTHER PAYABLES

Particulars	31 March 2014	31 March 2013
Due to trade creditors	5,543,517	6,055,557
Provision for expenses	4,522,457	10,937,535
	10,065,974	**16,993,092**

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 2014			31 March 2013		
	Current	Non-current	Total	Current	Non-current	Total
Provision for gratuity	300,330	2,155,499	**2,455,829**	547,375	1,637,885	**2,185,260**
Provision for compensated absences	301,536	2,111,786	**2,413,322**	356,944	1,943,226	**2,300,170**
Accrued pension liability	146,401	502,637	**649,038**	-	1,004,647	**1,004,647**
	748,267	**4,769,922**	**5,518,189**	**904,319**	**4,585,758**	**5,490,077**

The Company has adopted Revised IAS 19R with effect from 1 April 2013. Comparative information has not been restated for the changes as the effect of the change in accounting policy is not material.

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 date of statement of financial position.

Accrued pension

The Group sponsors a non-contributory defined benefit pension plan (the "DB Plan") covering all full-time employees of one of its subsidiaries meeting specified entry-age requirements. Pension benefits were based upon a formula contained in the DB Plan documents that takes into consideration years of service. The Company's funding policy is based on actuarial recommended contribution. The actuarial cost method utilised to calculate the present value of benefit obligations is the projected unit credit cost method. The DB Plan assets are held by a bank, as trustee, principally in the form of mutual fund units, money market securities, corporate bonds, and U.S. government securities. The DB Plan has no liabilities.
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, accrued pension liability and compensated absences are as follows:

	31 March 2014	
Particulars	**Gratuity**	**Accrued pension**
Change in benefit obligation		
Opening value of obligation	2,278,631	2,756,877
Interest expense	164,894	115,602
Current service cost	401,958	-
Benefits paid	(145,320)	(145,084)
Remeasurement - actuarial losses/(gains) from changes in assumptions	124,103	(94,552)
Translation adjustment	(192,910)	-
Defined benefit obligation at the year end	**2,631,356**	**2,632,843**
Fair value of planned assets	**(175,527)**	**(1,983,805)**
Defined benefit obligation at the year end (net)	**2,455,829**	**649,038**

Expenses related to the Company's defined benefit plans are as follows:

		31 March 2014
Particulars	**Gratuity**	**Accrued pension**
Net benefit obligation		
Amounts recognised in consolidated income statement		

Current service cost	401,958	-
Net interest expense	157,925	(19,471)
Expense recognised in consolidated income statement	**559,883**	**(19,471)**

	31 March 2013	
Particulars	**Gratuity**	**Accrued Pension**
Reconciliation of funded status		
Change in benefit obligation		
Opening value of obligation	1,863,826	2,824,177
Interest cost	139,822	120,885
Service cost	413,039	-
Benefits paid	(178,507)	(152,025)
Remeasurement - actuarial losses/(gains) from changes in assumptions	161,092	(36,160)
Translation adjustment	(120,641)	-
Defined benefit obligation at the year end	**2,278,631**	**2,756,877**
Fair value of plan assets	**(93,371)**	**(1,752,230)**
Defined benefit obligation (net)	**2,185,260**	**1,004,647**

	31 March 2013	
Amounts recognised in consolidated income statement	**Gratuity**	**Accrued pension**
Current service cost	412,986	-
Interest cost	139,810	120,885
Expected return on plan assets	167,816	84,267
Net amortization benefit cost	(12,162)	(121,448)
Expense recognised in consolidated income statement	**708,450**	**83,704**

Particulars	**31 March 2014**	**31 March 2013**
Current portion of obligation as at the end of the year	748,267	904,319
Non-current portion of obligation as at the end of the year	4,769,922	4,585,758
	5,518,189	**5,490,077**

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

	31 March 2014	**31 March 2013**
Discount rate	8.0%	8.0%
Expected rate of increase in compensation levels	8.0%	8.0%

Enterprise's best estimate of contribution during the next year amounts to USD 865,102.

Plan assets

Gratuity

Particulars	31 March 2014	31 March 2013
Opening balance of fair value of plan assets	93,370	196,297
Expected return on plan assets	6,968	12,163
Employer contribution	213,294	112,274
Benefits paid	(127,863)	(171,596)
Actuarial gain/(loss) on plan assets	(2,969)	(6,704)
Exchange fluctuation	(7,273)	(49,064)
Closing balance of fair value of plan assets	**175,527**	**93,370**

Accrued pension

Particulars	31 March 2014	31 March 2013
Opening balance of fair value of plan assets	1,752,230	1,604,872
Fair value of asset on acquisition date	-	-
Actual return on plan assets	175,941	115,513
Employer contributions	200,718	183,870
Benefits paid	(145,084)	(152,025)
Closing balance of fair value of plan assets	**1,983,805**	**1,752,230**

Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies. The gratuity plan of the Company is administered by Life Insurance Company ('LIC"). Plan assets for gratuity and pension plans are invested in below category of investments.

Particulars	31 March 2014	31 March 2013
Gratuity:		
Quoted		
-Government Bonds	63,765	27,326
- Infrastructure Bonds	41,100	17,220
-Corporate Bonds	21,641	14,228
Unquoted		
-Fixed Deposits	2,390	1,330
-Commercial paper and Deposits	19,533	6,383
-Cash and Cash equivalence	27,098	26,883
Pension:		
Quoted		
- Equity mutual funds	1,148,849	933,563
- Fixed income	788,332	710,388
Unquoted		
- Cash and cash equivalents	44,291	106,494
Total plan assets	**100%**	**100%**

The plan exposes the Group to actuarial risks such as interest rate risk, investment risk and longevity risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in functional currencies of respective subsidiaries. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

The plan assets at 31 March 2014 are predominantly risk free government securities, money market and mutual funds. The mutual funds are significantly weighted towards international market funds.

Longevity risk

The Group is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members will increase the defined benefit liability.

The defined benefit obligation and plan assets are composed by geographical locations as follows:

		31 March 2014	
Particulars	**US**	**India**	**Total**
Defined benefit obligation	2,632,843	2,631,356	5,264,199
Fair value of plan assets	(1,983,805)	(175,527)	(2,159,332)
	649,038	**2,455,829**	**3,104,867**

31 March 2013

Particulars	US	India	Total
Defined benefit obligation	2,756,877	4,137,813	6,894,690
Fair value of plan assets	(1,752,230)	(93,371)	(1,845,601)
	1,004,647	**4,044,442**	**5,049,089**

Amounts recognised in other comprehensive income related to the Group's defined benefit plans are as follows:

Particulars	31 March 2014
Actuarial loss from changes in financial assumptions	183,928
Actuarial loss from changes in demographic assumptions	21,478
Return on plan assets (excluding amounts included in net interest)	2,969
Total expenses recognised in other comprehensive income	**208,375**

All the expenses summarised above were included within items that will not be reclassified subsequently to profit or loss in the statement of other comprehensive income.

Other defined benefit plan information

The contributions to the defined plans are funded by the Group's subsidiaries. The funding requirements are based on the pension fund's actuarial measurement framework as set out in the funding policies.

Based on historical data, the Group expects contributions of USD 865,102 to be paid for the financial year 2014-2015.

The weighted average duration of the defined benefit obligation at 31 March 2014 is 5.8 years (31 March 2013: 4.9 years)

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the withdrawal rate. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2014:

Discount rate	Increase by 0.5%	Decrease by 0.5 %
Increase (decrease) in the defined benefit liability	(115,157)	120,830

Salary growth rate	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	120,252	(51,592)

Withdrawal rate	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	3,456	(3,568)

The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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 2014, the Group contributed USD 1,408,691 (31 March 2013: 1,258,427) towards the Provident Fund Plan in India.

19 OTHER CURRENT LIABILITIES

Particulars	31 March 2014	31 March 2013
Employee dues	3,657,963	3,472,015
Statutory dues payable	575,754	517,122
Unearned revenue	2,093,575	2,834,324
Advance from customers	1,355,665	1,307,169
Interest accrued and due on loans	1,119,219	-
Finance lease liability	12,300	-
Others	1,259,294	723,770
	10,073,770	**8,854,400**

20 OTHER INCOME

Particulars	31 March 2014	31 March 2013
Income from business purchase settlement	-	1,950,000
Foreign exchange gain	1,597,338	1,868,782
Profit on sale of fixed assets	10,499	-
Miscellaneous income	150,535	406,440
	1,758,372	**4,225,222**

21 FINANCE INCOME

Particulars	31 March 2014	31 March 2013
Interest income on deposit accounts	507,359	74,747
Others	8,190	8,401
	515,549	**83,148**

22 FINANCE COST

Particulars	31 March 2014	31 March 2013
Interest on borrowings	9,718,258	7,978,923
Interest on finance lease	114,489	166,876
Others	140,523	2,475
	9,973,270	**8,148,274**

23 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 entity at Guernsey is zero tax entity.

Tax expense reported in the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income for the year ended 31 March 2014 and 31 March 2013 is as follows:

Particulars	31 March 2014	31 March 2013
Current tax expense	4,360,059	4,298,634
Deferred tax expense/ (credit)	(2,764,809)	1,977,090
Income tax expense included in consolidated income statement	1,595,250	6,275,724
Deferred tax expense/ (credit) included in consolidated statement of comprehensive income	(73,371)	-
Net tax expense	**1,521,879**	**6,275,724**

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 2014	31 March 2013
Accounting profit for the year before tax	**21,740,185**	**29,694,060**
Other comprehensive loss before tax	(208,375)	**-**
Effective tax at the domestic rates applicable to profits in the country concerned	4,373,594	5,122,785
Deferred tax on undistributed earnings	2,334,304	1,247,065
Recognition of deferred tax assets on carry forward losses	(4,145,724)	-
Dividend distribution tax	201,167	121,202
Income not taxable/ expenses not allowed	105,557	(525,123)
Change in tax rate	(434,856)	-
Others	(912,163)	309,795
Tax expense	**1,521,879**	**6,275,724**

24 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 earnings per share for the year ended 31 March 2013 is as follows:

Basic earnings per share

Particulars	31 March 2014	31 March 2013
Profit attributable to shareholders	20,144,935	23,418,335
Weighted average numbers shares outstanding	153,010,000	153,010,000
Basic earnings per share (USD)	0.13	0.15

Diluted earnings per share

Particulars	31 March 2014	31 March 2013
Profit attributable to shareholders	20,144,935	23,418,335
Potential ordinary shares*	126,518	104,054
Weighted average numbers shares outstanding	153,136,158	153,114,054

Particulars	31 March 2014	31 March 2013
Diluted earnings per share (USD)	0.13	0.15

* Shares to be issued under share options granted

25 LEASES

The Group's finance lease payments are due on computers (including embedded software) taken on lease for operating activities. The net carrying value of computers and plant and machinery taken on lease as at 31 March 2014 is USD 567,508 (31 March 2013: 830,484).

Particulars	31 March 2014	31 March 2013
Computers and peripherals	327,637	604,331
Office equipment	87,294	29,879
Plant and machinery	94,073	195,679
Furniture and fixtures	58,504	595
	567,508	**830,484**

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	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Within 1 year	556,744	647,064	66,261	129,001	490,482	518,063
Later than 1 year but less than 5 years	296,080	863,315	30,267	91,189	265,813	772,126
More than 5 years	-	-	-	-	-	-

The Group's approximate future minimum lease payments under non-cancellable operating leases are as follows:

Payments falling due	Future minimum lease payments outstanding	
	31 March 2014	31 March 2013
Within 1 year	1,302,403	500,740
Later than 1 year but less than 5 years	4,327,711	1,378,433
More than 5 years	1,741,238	404,968

The Group's operating lease payments are cancellable as well as non-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 income statement for the year ended 31 March 2014 is USD 3,118,622 (31 March 2013: USD 2,745,773). 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.

26 FAIR VALUATION GAIN/ (LOSS) ON DERIVATIVES

The fair valuation gain on derivate financial instrument amount to USD 768,942 during the year ended 31 March 2014 (31 March 2013 USD 2,601,963).

27 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 GBP 0.01 per share). All shares represent one vote at the shareholder's 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 2014**	**31 March 2013**
Opening number of shares	2045	2044
Number of shares issued during the year	-	-
Closing number of shares	**2045**	**2044**

28 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. During the year Nil (previous year: Nil) options were exercised.

29 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 Aggarwal
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)*
III. Key management personnel and significant shareholders :	Mr. Anil Aggarwal *(Ultimate Shareholder, EICR Limited)*
	Mr. John Behar *(Director, iEnergizer Limited)*
	Ms. Sara Latham *(Director, iEnergizer Limited)*
	Mr. Chris de Putron *(Director, iEnergizer Limited)*
	Mr. Mark De La Rue *(Director, iEnergizer Limited)*

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

Transactions with parent company

Particulars	**31 March 2014**	**31 March 2013**
Transactions during the year		

Particulars	31 March 2014	31 March 2013
Dividend paid	-	12,584,872
Repayment of loan	20,000,000	-
Interest paid	2,586,927	2,106,912
Balances at the end of the year		
Interest payable	-	2,402,802
Demand loan facility	-	20,000,000

Above payables from related parties bears an interest rate of 10% p.a 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 key managerial personnel and their relative

Particulars	31 March 2014	31 March 2013
Transactions during the year		
Short term employee benefits		
Remuneration paid to directors		
Sara Latham	48,111	46,921
John Behar	47,936	46,874
Chris de Putron	16,158	15,810
Mark De La Rue	16,158	15,810
Balances at the end of the year		
Total remuneration payable to key managerial personnel	16,698	15,198

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 key management personnel cannot be segregated as these are based on actuarial valuation for all employees of the Group. During the year ended 31 March 2014 no key management personnel has exercised options granted to them.

30 SEGMENT REPORTING

Management currently identifies the Group's three service lines real time processing, back office services and content delivery as operating segments on the basis of operations. These operating segments are monitored and operating and strategic decisions are made on the basis of operating segment results.

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

1. Real time processing
2. Back office services
3. Content delivery
4. Others

The measurement of each operating segment's revenues, expenses, assets and 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 'Others'.

Segment information can be analysed as follows for the reporting years under review:

31 March 2014

	Real time processing	Back office services	Content delivery	Others	Total
Revenue					
Revenue from external customers	15,547,582	35,041,368	103,075,547	22,578	**153,687,075**
Other income	90,411	777	1,645,503	21,681	**1,758,372**
Segment revenue	15,637,993	35,042,145	104,721,050	44,259	**155,445,447**
Cost of outsourced Services	-	16,102,925	19,548,829	-	**35,651,754**
Employee benefit expense	10,453,771	5,625	48,756,025	248,693	**59,464,114**
Depreciation and amortization	436,282	-	6,208,378	5,977	**6,650,637**
Other expenses	1,155,167	4,824,475	15,304,653	1,196,741	**22,481,036**
Segment operating profit/ (loss)	**3,592,773**	**14,109,120**	**1,4903,165**	**(1,407,152)**	**31,197,906**
Segment assets	**7,420,167**	**11,317,959**	**178,729,554**	**3,706,709**	**201,174,390**

	Real time processing	Back office services	Content delivery	Others	Total
				31 March 2013	
Revenue from external customers	13,365,205	36,834,531	95,774,243	120,838	146,094,817
Other revenue	9,176	5,745	4,214,227	(3,926)	4,225,222
Segment revenues	**13,374,381**	**36,840,276**	**99,988,470**	**116,912**	**150,320,039**
Cost of outsourced services	-	20,881,547	10,621,849	-	31,503,396
Employee benefit expense	8,705,061	-	47,999,655	95,063	56,799,779
Depreciation and amortisation	411,369	-	6,221,553	11,990	6,644,912
Other expenses	1,142,614	674,628	14,961,283	834,242	17,612,767
Segment operating profit/(loss)	**3,115,337**	**15,284,101**	**20,184,130**	**(824,383)**	**37,759,185**
Segment assets	**6,623,795**	**10,233,611**	**165,681,177**	**20,431,771**	**202,970,354**

The Group's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are divided into the following geographical areas:

Location	Revenue	Non-current assets	Revenue	Non-current assets
	31 March 2014	31 March 2014	31 March 2013	31 March 2013
United Kingdom	6,588,310	-	6,580,262	-
India	16,290,613	10,043,275	14,146,927	1,290,573
USA	116,153,304	115,318,093	118,775,810	138,170,887
Rest of the world	14,654,848	11,191,442	6,591,818	50,645
Total	**153,687,075**	**136,552,810**	**146,094,817**	**139,512,105**

Revenues from external customers in United Kingdom, as well as its major markets, India and the USA have been identified on the basis of the internal reporting systems.

In year ended 31 March 2014, revenue from one customer amounted to more than 10% of consolidated revenue during the year presented (31 March 2013: one customer).

Revenue from	Segment	31 March 2014 Amount
Customer 1	Content delivery	24,501,696

Revenue from	Segment	31 March 2013 Amount
Customer 1	Content delivery	32,721,302

31 FINANCIAL ASSETS AND LIABILITIES

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 2014	31 March 2013
Non-current assets		
Loans and receivables		
Security deposits	854,256	713,937
Restricted cash	85,226	596,174
Deposits with banks	74,739	365,898
Others	-	914
Current assets		
Loans and receivables		
Trade receivables	34,027,675	28,150,952
Cash and cash equivalents	12,513,110	20,903,133
Restricted cash	2,894,057	3,093,644
Security deposits	212,869	24,625
Short term investments	942,904	993,859
Due from officers and employees	120,841	175,532
Other short term financial assets	314	9,425
Fair value through profit and loss:		
Derivative financial instruments	1,166,654	397,712
	52,892,645	**55,425,805**

Financial liabilities	31 March 2014	31 March 2013
Non-current liabilities		
Financial liabilities measured at amortised cost:		
Long term borrowings	105,869,584	772,126
Current liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	10,065,974	16,993,092
Current portion of long term borrowings	15,616,847	518,063
Short term borrowings	-	132,500,000
Other current liabilities	6,048,777	4,195,785
Fair value through profit and loss:		
Derivative financial instruments	-	-
	137,601,182	**154,979,066**

These non-current financial assets and liabilities, current 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. Derivative financial instruments, recorded at fair value through profit and loss, are recorded at their respective fair values on the reporting dates.

32 COMMITMENT AND CONTINGENCIES

At 31 March 2014 and 31 March 2013, the Group had capital commitment of USD 2,016,326 and USD 73,654 respectively for acquisition of property, plant and equipment.

The contingent liability in respect of claims filed by erstwhile employees against the group companies amounts to USD 129,907 and USD 121,221 as on 31 March 2014 and 31 March 2013 respectively and in respect of interest on VAT amounts to USD 11,692 as on 31 March 2014 (USD Nil as on 31 March 2013).

Guarantees: As at 31 March 2014 and 31 March 2013, guarantees provided by banks on behalf of the group companies to the revenue authorities and certain other agencies, amount to approximately USD 78,680 and USD 64,764 respectively.

During the year ending 31 March 2013, 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 100,501 repayable by iEnergizer IT Services Private Limited.

33 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'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 2014. 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 2014.

Interest rate sensitivity
The Group does not have any exposure to interest rate risk as there are no borrowings with floating interest rates.

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 in USD on account of contracts for rendering the services. The Group entity has fixed rate forward contracts that are obtained to manage the foreign currency risk in USD denominated trade receivables. Such contracts are taken considering overall receivable position and related expense and are not speculative in nature.
Net short term exposure in USD equivalents of foreign currency denominated financial assets and liabilities at each reporting date are as follows:

Currency	USD	USD	USD
Foreign currency	**AUD**	**GBP**	**EURO**
31 March 2014			
Financial assets	92,842	335,224	124,645
Financial liabilities	37,974	44,657	18,324
Net short term exposure	**54,868**	**290,567**	**106,321**

Functional currency	USD	USD	USD
Foreign currency	**AUD**	**GBP**	**EURO**
31 March 2013			
Financial assets	140,595	109,915	35,223
Financial liabilities	93,243	51,862	18,333
Net short term exposure	**47,352**	**58,053**	**16,890**

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 2014	31 March 2013
AUD	+-11.00%	+-0.34%
GBP	+-9.00%	+-5.13%
EUR	+-7.00%	+-4.04%

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**	**EURO**
31 March 2014	(12,219)	52,729	14,958
31 March 2013	(296)	2,575	831

If the functional currency had weakened with respect to various currencies by the percentages mentioned above, for years ended 31 March 2014 and 2013 then the effect will be change in profit and equity for the year by USD 55,468 (31 March 2013: USD 3,110). 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. The Group is not exposed to any significant credit risk on other financial assets and balances with banks. Further analysis for each category is detailed below:

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 are immediately recoverable.

Top five customers for the year ended 31 March 2014 are USD 13,102,299 being 34.46% (31 March 2013 USD 11,929,853 being 42.83 %) of net trade receivables. An analysis of age of trade receivables at each reporting date is summarised as follows:

Particulars		**31 March 2014**
	Amount	**Impairment**
Not past due	14,775,744	-
Past due less than three months	17,312,422	-
Past due more than three months but not more than six months	1,939,509	-
Past due more than six months but not more than one year	-	-
More than one year	-	-
Total	**34,027,675**	**-**

Particulars		**31 March 2013**
	Amount	**Impairment**
Not past due	12,511,230	-
Past due less than three months	11,035,239	-
Past due more than three months but not more than six months	999,828	-
Past due more than six months but not more than one year	48,416	-
More than one year	4,689	-
Total	**24,599,402**	**-**

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 buildings take on lease. The maximum exposure to the Group in case of security deposits paid under long-term arrangements is given in note below.

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

	31 March 2014	**31 March 2013**

	31 March 2014	31 March 2013
Security deposits	1,067,125	738,562
Restricted cash	2,979,283	3,689,818
Cash and cash equivalents	12,513,110	20,903,133
Short term investments	942,904	928,831
Due from officers and employees	120,841	175,532
Deposits with banks	74,739	430,926
Derivative financial instruments	1,166,654	397,712
Other current assets	314	10,339
Total	**18,864,970**	**27,274,853**

Cash and cash equivalents are held with reputable banks. The maximum exposure to credit risk is in the items stated in note 13. 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.

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 requirements are compared to available cash in order to determine any shortfalls.

Short terms liquidity requirements comprise 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. Derivative financial instruments reflect forward exchange contracts that will be settled on a gross basis.

As at 31 March 2014, the Group's liabilities having contractual maturities are summarised as follows:

31 March 2014	Current		Non- current
Financial liabilities	Due within 60 days	Due in 61 days to 365 days	Due in more than 1 year but not later than 5 years
Trade payables	4,720,754	804,324	-
Expenses payable	3,220,781	1,320,116	-
Borrowings	5,211,906	10,404,941	105,869,584
Other liabilities	3,612,959	2,435,817	
- Employee dues	2,424,523	1,233,439	-
- Capital lease liability	12,300		-
- Interest accrued and due on loans	1,119,219	-	-
- Others	56,917	1,202,378	-
Total	**16,766,400**	**14,965,198**	**105,869,584**

As at 31 March 2013, the Group's liabilities having contractual maturities are summarised as follows:

31 March 2013	Current		Non- current
Financial liabilities	Due within 60 days	Due in 61 days to 365 days	Due in more than 1 year but not later than 5 years
Trade payables	2,333,614	3,721,943	-
Expenses payable	2,840,035	8,097,500	-
Borrowings	132,588,777	429,284	772,126
Other liabilities			
- Employee dues	2,143,370	1,328,645	-
- Others	-	723,770	-
Total	**139,905,796**	**14,301,142**	**772,126**

34 FAIR VALUE HIERARCHY

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – 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).
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 and 3 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

		Fair value measurements at reporting date using
31 March 2014	**Total**	**Level 2**
Assets	(Notional amount)	

Derivative instruments		
Forward contracts (currency – USD/INR)	29,200,000	1,166,654

		Fair value measurements at reporting date using
31 March 2013	**Total**	**Level 2**
Liability	(Notional amount)	
Derivative instruments		
Forward contracts (currency – USD/INR)	36,900,000	397,712

The Group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

35 CAPITAL RISK MANAGEMENT

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

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 liabilities of the Group. 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 March 2014	31 March 2013
Total equity	50,806,851	33,502,392
Total debts	150,367,539	173,534,925
Overall financing	**201,174,390**	**207,037,317**
Gearing ratio	0.75	0.84

The current gearing ratio of the Group is very high and the primary objective of the Group's capital management is to reduce net debt over next one year whilst investing in business and maximizing shareholder value. In order to meet this objective, the Group may repay debt, adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

36 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorization.

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Sara Latham Non-Executive Director, Chairperson	Anil Aggarwal Executive Director, CEO	Neil Campling Executive Director, CFO
Chris de Putron Non-Executive Director	Mark De La Rue Non-Executive Director	Marc Vassanelli Non-Executive Director

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