iEnergizer

business process excellence

Interim Statement September 2016

iEnergizer

11 November 2016

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

iEnergizer,the digital publishing and technology leader, which benefits from the dual disruptive waves of big data and the cloud is pleased to announce its Interim Results for the six months ended 30 September 2016. The present structure of the Group combines a well-established, high growth, business processes solution enterprise with a leading provider of end-to-end digital transformation solutions to the media and publishing industries.

Financial Highlights

- Revenues of $71.5m (H1 2016: $68.9m)
- Adjusted EBITDA[1] $16.4m (H1 2016[2]: $16.6m)
- Adjusted EBITDA[1] margin at 23% (H1 2016[2]: 24%)
- Operating profit $13.8m (H1 2016: $13.7m)
- Operating profit margin at 19.3% (H1 2016: 19.9%)
- Profit before tax of $10.2m (H1 2016: $9.3m).
- Profit before tax margin at 14.2% (H1 2016: 13.4%)
- Cash and cash equivalents of $11.9m (31 March 2016: $10.2m)
- Term Debt of $81.5m (31 March 2016: $87.6m).[3]

(1) Non-recurring expenses relate to one off cost of US$0.2mn for professional charges.
(2) Non-recurring expenses relate to one off cost of US$0.3mn for professional charges.
(3) The Company is compliant of all applicable financial covenants including on-time payments of loan installments and interest.

Operational Highlights

- Focus on sustained profitable growth
  - Achieved 5% Revenue growth from services ($70.6m in H1 2017 vs $67.3 in H1 2016)
  - Maintained Operating profit of $13.8m ($13.7m H1 2016)

- Real Time Processing ("RTP"): Continued strong revenue growth of more than 20% due to increase in revenue from Travel, Telecom & E-commerce verticals as compared to the previous year and a new business line acquired in Media & Entertainment vertical.

- Back Office Services ("BOS"): Continued focus on recurring revenue streams and long term customer relationships resulted in strong revenue growth of 18%

- Content Division: Sustainable long term growth prospects for content services:
    - Major wins this year with our existing and new customers, which will facilitate growth in the coming months, for educational publishing and professional publishing divisions
    - New contract signed with our largest Financial Publishing customer which is an opportunity for growth in existing services along with the recommencement of some services provided in the past
    - Decline of aggregate revenue in project-driven content services ($36m H1 2017, $38m H1 2016) is attributable to conclusion of one-time projects in digital solutions and enterprises divisions. However, the division continues to enjoy steady work streams from its core customers

- Focused cost saving initiatives:
    - Savings in "Other expenses" by more than 17% ($4.8m in H1 2017 vs $5.8m in H1 2016) through rationalization of overheads e.g. travel, communication and professional expenses
    - Running a leaner organization using technology effectively and optimizing utilization of the Company's resources
    - Leveraging the Company's US based sales team for generating sales pipeline and cross-selling opportunities to all the business verticals of the Group

Continued focus on recurring revenue streams from business critical processes and long-term customer relationships.

Marc Vassanelli, Chairman of iEnergizer, commented:

"Reflecting the continued focus on recurring revenue streams from business critical processes and long term customer relationships, with both existing and new customers, we see real progress with the performance in the first half of this financial year, demonstrated by the growth in revenue, operating profits and profits before taxes.

"The Company's healthy cash position, together with its cash generative business model, puts us in a strong position to invest in both organic and inorganic growth opportunities in the periods ahead.

"We expect current market trends to continue through the second half of the year with a continuing focus on underlying operating margins. We believe there is significant opportunity for us to continue to expand the business further using this approach."

-Ends-

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iEnergizer

iEnergizer Limited and its subsidiaries

Unaudited Condensed Consolidated Interim Financial Statements

Prepared in accordance with International Financial Reporting Standards (IFRS)

Six months ended 30 September 2016 and 2015

Contents

Unaudited Condensed Consolidated Statements of Financial Position

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

	Notes	As at 30 September 2016 Unaudited	As at 31 March 2016 Audited
ASSETS			
Non-current			
Goodwill	5	102,261,757	102,262,760
Other intangible assets	6	18,939,712	20,339,230
Property, plant and equipment	7	5,372,235	5,849,658
Long- term financial asset		632,110	561,136
Non-current tax assets		2,074,428	1,744,277
Deferred tax asset		12,929,952	12,867,349
Non-current assets		**142,210,194**	**143,624,410**
Current			
Trade and other receivables		25,401,292	27,613,023
Cash and cash equivalents		11,867,808	10,166,328
Short- term financial assets	8	4,689,954	4,425,033
Other current assets		3,540,249	2,696,197
Current assets		**45,499,303**	**44,900,581**
Total assets		**187,709,497**	**188,524,991**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	3,776,175	3,776,175
Share compensation reserve		63,986	63,986
Additional paid in capital	9	15,451,809	15,451,809
Merger reserve		(1,049,386)	(1,049,386)
Retained earnings		73,540,330	64,802,160
Other components of equity		(10,373,525)	(9,921,661)
Total equity attributable to equity holders of the parent		**81,409,389**	**73,123,083**

	Notes	As at 30 September 2016 Unaudited	As at 31 March 2016 Audited
Liabilities			
Non-current			
Long term borrowings		67,558,758	73,741,220
Employee benefit obligations		4,514,444	4,464,676
Other non-current liabilities		427,831	465,472
Deferred tax liability		4,254,620	4,139,178
Non-current liabilities		**76,755,653**	**82,810,546**
Current			
Short term borrowings		-	642,751
Trade and other payables		7,303,692	9,398,856
Employee benefit obligations		843,705	840,944
Current tax liabilities		629,628	187,190
Current portion of long term borrowings		13,927,710	13,846,942
Other current liabilities		6,839,720	7,674,679
Current liabilities		**29,544,455**	**32,591,362**
Total equity and liabilities		**187,709,497**	**188,524,991**

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

Unaudited Condensed Consolidated Income Statements

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

	Notes	For the six months ended 30 September 2016 Unaudited	For the six months ended 30 September 2015 Unaudited
Income from operations			
Revenue from services		70,613,189	67,315,112
Other operating income		874,811	1,656,659
		71,488,000	**68,971,771**
Cost and expenses			
Outsourced service cost		20,342,349	19,298,174
Employee benefits expense		30,111,166	27,550,087
Depreciation and amortisation		2,446,182	2,560,220
Other expenses		4,814,479	5,831,264
		57,714,176	**55,239,745**
Operating profit		**13,773,824**	**13,732,026**
Finance income		163,978	207,589
Finance cost		(3,781,295)	(4,654,556)
Profit before tax		**10,156,507**	**9,285,059**
Income tax expense		1,418,337	1,492,963
Profit for the year attributable to equity holders of the parent		**8,738,170**	**7,792,096**
Earnings per share	**10**		
Basic		*0.04*	*0.04*
Diluted		*0.04*	*0.04*
Par value of each share in GBP		*0.01*	*0.01*

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

Unaudited Condensed Consolidated Statements of Other Comprehensive Income

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

	For the six months ended 30 September 2016 Unaudited	For the six months ended 30 September 2015 Unaudited
Profit after tax for the year	8,738,170	7,792,096
Exchange differences on translating foreign operations	(451,864)	(2,370,855)
Total comprehensive income attributable to equity holders	**8,286,306**	**5,421,241**

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

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Unaudited Condensed Consolidated Statements 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: Foreign currency translation reserve	Other components of equity: Net defined benefit liability	Retained earnings	Total equity
Balance as at 01 April 2015	**3,195,334**	**11,009,480**	**63,986**	**(1,049,386)**	**(7,863,352)**	**32,877**	**47,894,372**	**53,283,311**
Issue of ordinary shares	580,841	4,442,329	-	-	-	-	-	**5,023,169**
Profit for the year	-	-	-	-	-	-	16,907,788	**16,907,788**
Other comprehensive loss	-	-	-	-	(2,242,802)	151,616	-	**(2,091,186)**
Total comprehensive income for the period	-	-	-	-	**(2,242,802)**	**151,616**	**16,907,788**	**14,816,602**
Balance as at 31 March 2016	**3,776,175**	**15,451,809**	**63,986**	**(1,049,386)**	**(10,106,154)**	**184,493**	**64,802,160**	**73,123,083**

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

Unaudited Condensed Consolidated Statements of Changes in Equity

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

	Share capital	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 2016	**3,776,175**	**15,451,809**	**63,986**	**(1,049,386)**	**(10,106,154)**	**184,493**	**64,802,160**	**73,123,083**
Profit for the year	-	-	-	-	-	-	8,738,170	**8,738,170**
Other comprehensive loss	-	-	-	-	(451,864)	-	-	**(451,864)**
Total comprehensive income for the period	-	-	-	-	**(451,864)**	-	**8,738,170**	**8,286,306**
Balance as at 30 September 2016	**3,776,175**	**15,451,809**	**63,986**	**(1,049,386)**	**(10,558,018)**	**184,493**	**73,540,330**	**81,409,389**

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

Unaudited Condensed Consolidated Statements of Cash Flows

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

	For the six months ended 30 September 2016	For the six months ended 30 September 2015
(A) Cash flow from operating activities		
Profit before tax	**10,156,507**	**9,285,059**
Adjustments		
Depreciation and amortisation	2,446,182	2,560,220
Loss on disposal of property, plant and equipment	306	-
Profit on disposal of property, plant and equipment	-	(21,059)
Provision for doutful debts written back	(83,882)	-
Amortization of loan processing fee	477,985	516,785
Sundry balances written back	(121)	-
Unrealised foreign exchange gain	(687,284)	(688,980)
Finance income	(163,978)	(207,589)
Finance cost	3,303,310	4,137,771
	15,449,025	**15,582,207**
Changes in operating assets and liabilities		
(Increase)/ Decrease in trade and other receivables	3,837,266	(5,636,382)
(Increase)/ Decrease in other assets (current and non-current)	(1,734,529)	1,130,129
Increase / (Decrease) Non-current liabilities, trade payables & other current liabilities	(3,817,642)	654,808
(Decrease)/ Increase in employee benefit obligations	67,574	(248,118)
Cash generated from operations	**13,801,694**	**11,482,644**
Income taxes paid	(1,253,211)	(2,018,000)
Net cash generated from operating activities	**12,548,483**	**9,464,644**
(B) Cash flow for investing activities		
Payments for purchase of property plant and equipment	(472,902)	(410,210)
Redemption of fixed deposit	167,613	-
Proceeds from disposal of property, plant & equipment	371	26,328
Payments for purchase of other intangible assets	(143,957)	(201,221)
Interest received	164,754	172,258
Net cash used in investing activities	**(284,121)**	**(412,845)**

(C) Cash flow from financing activities		
Proceeds of share capital	-	5,023,170
Interest paid	(3,303,310)	(4,137,771)
Repayment of long-term borrowings	(6,579,679)	(15,528,882)
Net cash used in financing activities	**(9,882,989)**	**(14,643,483)**
Net increase / (decrease) in cash and cash equivalents	**2,381,372**	**(5,591,684)**
Cash and cash equivalents at the beginning of the year	9,523,577	13,447,099
Effect of exchange rate changes on cash	(37,141)	(108,953)
Cash and cash equivalents at the end of the year	**11,867,808**	**7,746,462**
Cash and cash equivalents comprise		
Cash in hand	15,240	13,713
Balances with banks in current account	11,852,568	7,425,391
Balances with banks in deposit account	-	307,358
	11,867,808	**7,746,462**

Notes to Unaudited Condensed Consolidated Interim Financial Statements

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

1. INTRODUCTION

iEnergizer Limited (the ‘Company’ or ‘iEnergizer ’) was incorporated in Guernsey on 12 May 2010.

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 Group FZ – LLC, 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

These Unaudited Condensed Consolidated Interim Financial Statements are for the six months ended 30 September 2016 and 2015. They have been prepared in accordance with IAS 34 Interim Financial Reporting as developed and published by the International Accounting Standards Board (‘IASB’), on a going concern basis. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the annual financial statements for the years ended 31 March 2016 and 2015.

The Unaudited Condensed Consolidated Interim Financial Statementshave been prepared and presented in United States Dollar (US$) which is the Company’s functional currency.

These Unaudited Condensed Consolidated Interim Financial Statements were approved by the Board on 10 November 2016.

The Group has applied the same accounting policies in preparing these unaudited management financial information as adopted in the most recent annual audited financial information of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual financial statements for the years ended 31 March 2016 and 2015.

Standards issued but not yet effective

- **IFRS9 Financial instruments**

In July 2014, the IASB completed its project to replace IAS 39, Financial Instruments: Recognition and Measurement by publishing the final version of IFRS 9: Financial Instruments. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new guidance regarding the application of hedge accounting to better reflect an entity's risk management activities especially with regard to managing non-financial risks. The new standard is effective for annual reporting periods beginning on or after January 1, 2018 (but not yet endorsed in EU), while early application is permitted. The management is currently evaluating the impact that this new standard will have on its consolidated financial statements.

- **IFRS15 Revenue from Contract with Customers**

IFRS 15 supersedes all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations). According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 establishes a five step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The effective date for adoption of IFRS is annual period beginning on or after January 1, 2018 (but not yet endorsed in EU). The Group is currently evaluating the impact of the above pronouncements on the Group's consolidated financial statements.

- **IFRS 16 *Leases***

On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019 (but not yet endorsed in EU), though early adoption is permitted forcompanies applying IFRS 15 Revenue from Contracts with Customers. The Company is currently assessing the impact of adopting IFRS 16 on the Company's consolidated financial statements.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the Unaudited Condensed Consolidated Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Unaudited Condensed Consolidated Interim Financial Statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last audited financial statements for the year ended 31 March 2016.

5. GOODWILL

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

Particulars	**Amount**
Balance as at 01 April 2015	**102,270,059**
Translation adjustment	(7,299)
Balance as at 31 March 2016	**102,262,760**

Particulars	**Amount**
Balance as at 01 April 2016	**102,262,760**
Translation adjustment	(1,003)
Balance as at 30 September 2016	**102,261,757**

6. OTHER INTANGIBLE ASSETS

The Intangible assets comprise of computer software, customer contracts.

Particulars	Customer contracts*	Computer softwares	Patent	Trade mark	Intangibles under development	Total
Cost						
Balance as at 01 April 2015	24,127,796	2,516,249	100,000	12,000,000	132,490	38,876,535
Additions	-	450,456				450,456
Disposals	-	-	-	-	-	-
Translation adjustment	(8,164)	(132,529)	-	-	-	(140,693)
Balance as at 31 March 2016	**24,119,632**	**2,834,176**	**100,000**	**12,000,000**	**132,490**	**39,186,298**
Accumulated amortization						
Balance as at 01 April 2015	13,473,400	2,141,813	-	-	132,490	15,747,703
Amortization/ impairment for the period	2,779,416	416,743	-	-	-	3,196,159
Disposals	-	-	-	-	-	-
Translation adjustment	(8,164)	(88,630)	-	-	-	(96,794)
Balance as at 31 March 2016	**16,244,652**	**2,469,926**	**-**	**-**	**132,490**	**18,847,068**
Carrying values as at 31 March 2016	**7,874,980**	**364,250**	**100,000**	**12,000,000**	**-**	**20,339,230**

*Customer contracts are basically intangible assets created for long standing customer relationships in content delivery segment. Once the relationship is established the work continues to flow on a year to year basis. The carrying amount of such contracts is USD 7,874,980 and remaining amortization period is 3.8 years.

Particulars	Customer contracts*	Computer softwares	Patent	Trade mark	Intangibles under development	Total
Cost						
Balance as at 01 April 2016	24,119,632	2,834,176	100,000	12,000,000	132,490	39,186,298
Additions	-	143,957				143,957
Disposals	-	-	-	-	-	-
Translation adjustment	(1,122)	(20,428)	-	-	-	(21,550)
Balance as at 30 September 2016	**24,118,510**	**2,957,705**	**100,000**	**12,000,000**	**132,490**	**39,308,705**
Accumulated amortization						
Balance as at 01 April 2016	16,244,652	2,469,926	-	-	132,490	18,847,068
Amortisation/ impairment for the period	1,389,708	151,535	-	-	-	1,541,243
Disposals	-	-	-	-	-	-
Translation adjustment	(1,122)	(18,196)	-	-	-	(19,318)
Balance as at 30 September 2016	**17,633,238**	**2,603,265**	**-**	**-**	**132,490**	**20,368,993**
Carrying values as at 30 September 2016	**6,485,272**	**354,440**	**100,000**	**12,000,000**	**-**	**18,939,712**

*Customer contracts are basically intangible assets created for long standing customer relationships in content delivery segment. Once the relationship is established the work continues to flow on a year to year basis. The carrying amount of such contracts is USD 6,485,272 and remaining amortization period is 2.3 years.

7. 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	Total
Cost								
Balance as at 01 April 2015	4,528,397	760,137	1,103,739	181,912	30,719	4,354,526	1,733,404	12,692,834
Additions	517,626	37,241	156,831	89,885	-	148,762	61,678	1,012,023
Disposals (Net)	(122,702)	(621)	-	-	-	-	(2,599)	(125,922)
Translation adjustment	(238,697)	(40,864)	(55,295)	(9,806)	(855)	(222,576)	(92,746)	(660,839)
Balance as at 31 March 2016	**4,684,624**	**755,893**	**1,205,275**	**261,991**	**29,864**	**4,280,712**	**1,699,737**	**12,918,096**
Accumulated depreciation								
Balance as at 01 April 2015	**3,048,059**	**264,609**	**527,897**	**92,117**	**20,813**	**951,463**	**776,985**	**5,681,943**
Depreciation for the year	730,756	128,366	75,035	34,534	4,513	580,916	242,882	1,797,002
Disposals (Net)	(99,530)	(617)	-	-	-	-	(2,599)	(102,746)
Translation adjustment	(166,171)	(13,575)	(26,181)	(5,364)	(724)	(57,472)	(38,274)	(307,761)
Balance as at 31 March 2016	**3,513,114**	**378,783**	**576,751**	**121,287**	**24,602**	**1,474,907**	**978,994**	**7,068,438**
Carrying values as at 31 March 2016	**1,171,510**	**377,110**	**628,524**	**140,704**	**5,262**	**2,805,805**	**720,743**	**5,849,658**

Particulars	Computer and data equipment	Office Equipment	Furniture and fixtures	Air conditioner and generator	Vehicle	Leasehold improvements	Plant and machinery	Total
Cost								
Balance as at 01 April 2016	4,684,624	755,893	1,205,275	261,991	29,864	4,280,712	1,699,737	12,918,096
Additions	325,322	5,358	6,145	88,075	-	10,522	37,480	472,902
Disposals (Net)	(2,920)	(1,363)	-	-	-	(274)	-	(4,557)
Translation adjustment	(30,757)	(5,927)	(8,488)	(1,987)	(118)	(32,724)	(13,997)	(93,998)
Balance as at 30 September 2016	**4,976,269**	**753,961**	**1,202,932**	**348,079**	**29,746**	**4,258,236**	**1,723,220**	**13,292,443**
Accumulated depreciation								
Balance as at 01 April 2016	**3,513,114**	**378,783**	**576,751**	**121,287**	**24,602**	**1,474,907**	**978,994**	**7,068,438**
Depreciation for the year	345,035	71,809	41,078	23,854	2,250	291,609	129,304	904,939
Disposals (Net)	(2,920)	(960)	-	-	-	-	-	(3,880)
Translation adjustment	(23,595)	(2,739)	(3,752)	(862)	(103)	(10,136)	(8,102)	(49,289)
Balance as at 30 September 2016	**3,831,634**	**446,893**	**614,077**	**144,279**	**26,749**	**1,756,380**	**1,100,196**	**7,920,208**
Carrying values as at 30 September 2016	**1,144,635**	**307,068**	**588,855**	**203,800**	**2,997**	**2,501,856**	**623,024**	**5,372,235**

8. SHORT TERM FINANCIAL ASSETS

Particulars	30 September 2016	31 March 2016
Security deposits	40,342	22,132
Restricted cash	2,844,269	2,791,324
Short term investments (fixed deposits with maturity less than 12 months)	1,166,251	1,386,574
Derivative financial instruments	579,744	189,941
Due from officers and employees	59,348	34,286
Others	-	776
	4,689,954	**4,425,033**

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

9. 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 period.

Calculation of basic and diluted profit per share for the period ended 30 September 2016 is as follows:

Basic earnings per share

Particulars	30 September 2016	30 September 2015
Profit attributable to shareholders	8,738,170	7,792,096
Weighted average numbers shares outstanding	196,387,714	190,130,008
Basic earnings per share (USD)	0.04	0.04

Diluted earnings per share

Particulars	30 September 2016	30 September 2015
Profit attributable to shareholders	8,738,170	7,792,096
Weighted average numbers shares outstanding	196,387,714	190,130,008
Diluted earnings per share (USD)	0.04	0.04

10. RELATED PARTY TRANSACTIONS

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

Nature of the relationship	Related Party's Name
I. Ultimate controlling party	Mr. Anil Agarwal
II. Entities directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reported enterprises	EICR Limited (*Parent of iEnergizer Limited)*
III. Key management personnel ("KMP") and significant shareholders	Mr. Anil Agarwal *(Ultimate Shareholder, EICR Limited)* Mr. Chris de Putron *(Director, iEnergizer Limited)* Mr. Mark De La Rue *(Director, iEnergizer Limited)* Mr. Marc Vassanelli*(Director, iEnergizer Limited)*

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

Transactions with parent company

Particulars	30 September 2016	30 September 2015
Transactions during the period ended		
Share issued to EICR Limited	-	5,023,170

Transactions with KMP and relative of KMP

Particulars	30 September 2016	30 September 2015
Transactions during the period ended		
Short term employee benefits		
Remuneration paid to directors		
Sara Latham	-	19,114
Neil Campling	-	114,736
Chris De Putron	6,590	7,721
Mark De La Rue	6,590	7,721
Marc Vassanelli	19,771	23,102
Balances at the end of		
Total remuneration payable	67,367	19,233

11. SEGMENT REPORTING

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

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

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

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Unaudited Condensed Consolidated Interim 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 periods under review:

					30 September 2016
	Real time processing	**Back office services**	**Content delivery**	**Others**	**Total**
Revenue from external customers	12,484,717	22,461,326	35,667,146	-	**70,613,189**
Segment revenue	12,484,717	22,461,326	35,667,146	-	**70,613,189**
Other income	132,849	-	743,667	(1,705)	**874,811**
Cost of outsourced Services	-	15,154,329	5,188,020	-	**20,342,349**
Employee benefit expense	10,026,814	4,500	20,079,852	-	**30,111,166**
Depreciation and amortization	381,425	-	2,064,757	-	**2,446,182**
Other expenses	688,659	288,409	3,688,495	148,916	**4,814,479**
Segment operating profit	1,520,668	7,014,088	5,389,689	(150,621)	**13,773,824**
Segment assets	13,880,334	11,963,082	83,985,419	77,880,662	**187,709,497**

30 September 2015

	Real time processing	Back office services	Content delivery	Others	Total
Revenue from external customers	10,246,421	18,996,395	38,072,296	-	**67,315,112**
Segment revenue	10,246,421	18,996,395	38,072,296	-	**67,315,112**
Other income	46,150	-	1,610,509	-	**1,656,659**
Cost of outsourced Services	-	12,362,198	6,935,976	-	**19,298,174**
Employee benefit expense	7,820,436	4,500	19,725,151	-	**27,550,087**
Depreciation and amortization	296,041	-	2,264,179	-	**2,560,220**
Other expenses	695,830	185,450	4,366,249	583,735	**5,831,264**
Segment operating profit	1,480,264	6,444,247	6,391,250	(583,735)	**13,732,026**
Segment assets	10,792,135	12,236,900	84,881,222	76,957,797	**184,868,054**

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

30 September 2016

Revenue from	Segment	Amount
Customer 1	Back office Services	8,321,461
Customer 2	Content Delivery	7,155,188

30 September 2015

Revenue from	Segment	Amount
Customer 1	Real time processing	7,388,931

12. FINANCIAL ASSETS AND LIABILITIES

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

Financial assets	30 September 2016	31 March 2016
Non-current assets		
Loans and receivables		
Security deposits	541,912	531,204
Restricted cash	29,697	29,932
Fixed deposit	60,501	-
Current assets		
Loans and receivables		
Trade receivables	25,401,292	27,613,023
Cash and cash equivalents	11,867,808	10,166,328
Restricted cash	2,844,269	2,791,324
Security deposits	40,342	22,132
Short term investments	1,166,251	1,386,574
Due from officers and employees	59,348	34,286
Other short term financial assets	-	776
Fair value through profit and loss:		
Derivative financial instruments	579,744	189,941
	42,591,164	**42,765,520**

Financial liabilities	30 September 2016	31 March 2016
Non-current liabilities		
Financial liabilities measured at amortized cost:		
Long term borrowings	67,558,758	73,741,220
Current liabilities		
Financial liabilities measured at amortized cost:		
Short term borrowings	-	642,751
Trade payables	7,303,692	9,398,856
Current portion of long term borrowings	13,927,710	13,846,942
Other current liabilities	6,839,720	7,674,671
Fair value through profit and loss:		
Derivative financial instruments	-	-
	95,629,880	**105,304,440**

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 as these are expected to realise within one year from the reporting dates. Derivative financial instruments, recorded at fair value through profit and loss, are recorded at their respective fair values on the reporting dates.

13. 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
30 September 2016	**Total**	**Level 2**
Assets	(Notional amount)	
Derivative instruments		
Forward contracts (currency – USD/INR)	17,200,000	579,744

		Fair value measurements at reporting date using
31 March 2016	**Total**	**Level 2**
Liabilities	(Notional amount)	
Derivative instruments		
Forward contracts (currency – USD/INR)	22,950,000	189,941

14. COMMITMENT AND CONTINGENCIES

As at 30 September 2016 and 31 March 2016, the Group had a capital commitment of USD 60,949 and USD 99,707 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 93,299 and USD 81,190 as on 30 September 2016 and 31 March 2016 respectively and in respect of interest on VAT, amounts to USD 10,481 as on 30 September 2016 (USD 10,563 as on 31 March 2016).

Guarantees: As at 30 September 2016 and 31 March 2016, guarantees provided by banks on behalf of the group companies to the revenue authorities and certain other agencies, amount to approximately USD 28,901 and USD 29,129 respectively.

15. ESTIMATES

The preparation of interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Unaudited Condensed Consolidated Interim Financial Statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the years ended 31 March 2016 and 2015.

16. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the years ended 31 March 2016 and 2015.