

20 November 2019

**CORRECTION: INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

The following amendments have been made to the 'Interim Results' announcement released on 13 November at 07:00am (UK Time) under RNS No 1712T.

- The original RNS stated the Dividend record date as 21<sup>st</sup> November 2019. This is corrected to a Dividend record date of 22<sup>nd</sup> November 2019.
- The original RNS stated that the Company's Ordinary Shares were expected to go ex-dividend on 22<sup>nd</sup> November 2019. This is corrected to 21<sup>st</sup> November 2019.

All other details remain unchanged.

**iEnergizer Limited**

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

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

iEnergizer, the technology services and media solutions leader for the digital age, reports interim results for the six months ended September 30, 2019.

**Financial Highlights:** *Sustained profitable revenue growth and margin improvements, achieved through deepening existing customer relationships and securing new customer contracts, with ongoing careful cost management*

- Group Revenue up 13.1% to \$96.2m (H1 2019: \$85.1m)
- Service Revenue up 15.6% to \$95.2m (H1 2019: \$82.4m)
- EBITDA<sup>[1]</sup> of \$29.1m (H1 2019: \$24.3m)
- Higher EBITDA margin at 30.2% (H1 2019: 29.1%)
- Operating profit increased to \$26.8m (H1 2019: \$23.4m)
- Higher operating profit margin at 27.8% (H1 2019: 27.5%)
- Profit before tax increased to \$25.0m (H1 2019: \$21.0m)
- Higher profit before tax margin at 25.9% (H1 2019: 24.6%)
- Profit after tax increased to \$21.6m (H1 2019: \$17.3m)
- Net debt<sup>[2]</sup> of \$0.43m (31 March 2019: \$3.9m)
- Proposing interim dividend of 5.2p per ordinary share (\$12.7m) (H1 2019: nil p)

**Operational Highlights:** *Continued focus on higher margin work and success in business development with existing and new customers.*

- Services: Double-digit revenue growth to \$95.2m (H1 2019: \$82.4m) through: the addition of several new clients; and increased billable work volumes and new contract wins from existing clients, including higher margin activity.
- Business Process Outsource ("BPO"): Strong revenue growth of 23.6% to \$59.4m in H1 2020 (H1 2019: \$48.1m) and EBITDA margins 20.3% higher at \$20.8m (H1 2019: \$17.3m), as key customers continued to increase workload volumes. The focus remains on recurring revenue streams from long-term customer relationships across all verticals.
- Content Division: Revenue growth of 4.3% to \$35.7m in H1 2020 (H1 2019: \$34.3m) and increased EBITDA margins by 18.4% to \$8.8m (H1 2019: \$7.5m), achieved despite structural pressures in the traditional publishing market.
  - New E-Learning projects, related to design and development of class room training material for virtualization projects, supported revenue growth in Content Division.

- Continued development of new course material and Learning Management Systems (LMS) for the Off-The-Shelf (OTS) content service.
- Growing customer base, amongst existing and new customers, for the Scientific Publishing and Remittance Integration Services (“SciPris”) product line.
- Growing customer pipeline for new services, such as Anti Money Laundering KYC service.
- New business development:
  - US based sales team continued to focus on three strategic priorities: to enhance and grow key accounts; to identify and win new business through new customers as well as target our existing accounts; and to cross-sell and generate leads for additional services.
  - Acquisition of multiple new customers in H1 2020 across iEnergizer’s business lines of Business Process Outsource and Content Services Division, with revenue expected to contribute from H2 2020.
- Cost management:
  - Continued focus on cost saving initiatives.
  - Increased proportion of division-specific higher margin work, particularly in non-voice based processes including content writing, financials, entertainment gaming support, content technology and digital solutions.
  - Effective use of technology to handle greater volumes from key customers without notable additional human resource.
- Interim Dividend:
  - In line with the progressive dividend policy, the Company is pleased to announce an interim dividend of 5.2p with the Dividend record date of 22nd November 2019. This interim dividend reflects the Board's confidence in the Group's business plan and growth prospects.
  - The Company's Ordinary Shares are expected to go ex-dividend on 21st November 2019 and the interim dividend is expected to be paid on 20th December 2019.

**Marc Vassanelli, Chairman of iEnergizer, commented:**

“This has been another successful period for iEnergizer across each division, despite structural challenges in some business areas. The continuation of profitable growth has been driven by our colleagues’ continued efforts, in deepening existing customer relationships and attracting new customers via iEnergizer’s compelling and evolving proposition, coupled with careful cost management. As a result, we are pleased to announce an interim dividend of 5.2p, for the first time.

“We benefit from a solid foundation, and with continued strong operational execution, the development of new sales initiatives and differentiated offerings, underpinned by a healthy balance sheet and substantial growth opportunities, we expect sustained business performance through the second half of the year. The Board looks forward to the remainder of the year with confidence.”

[1] EBITDA has been calculated under the IFRS 16 accounting standards, under which a company’s operating lease liabilities are shown as liabilities on the balance sheet, together with the related assets that correspond to the right to use such assets over the remaining life of the related lease contracts. If these impacts had not been taken into consideration, the EBITDA would have been \$28.24m.

[2] Net Debt has been calculated after excluding IFRS 16 impact of capitalization of leases as “Right of Use Assets” and their consequent lease liability creation. If these impacts had been included, Net Debt would have been \$6.72m

**-Ends-**

**iEnergizer Ltd.**

Chris de Putron  
Mark De La Rue

+44 (0)1481 242233

**FTI Consulting – Communications Adviser**

Jonathon Brill / Eleanor Purdon

+44 (0)20 3727 1000

**Arden Partners - Nominated adviser and Broker**

Ciaran Walsh / Steve Douglas / Dan Gee-Summons (Corporate Finance)  
James Reed-Daunter (Equity Sales)

+44 (0)20 7614 5900

Unaudited Condensed Consolidated Interim Financial Statements

Prepared in accordance with International Financial Reporting Standards (IFRS)

Six months ended 30 September 2019 and 2018

## Unaudited Condensed Consolidated Statements of Financial Position

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

|                               | Notes | As at<br>30 September 2019<br>Unaudited | As at<br>31 March 2019<br>Audited |
|-------------------------------|-------|---|-----------------------------------|
| <b>ASSETS</b>                 |       |   |                                   |
| <b>Non-current</b>            |       |   |                                   |
| Goodwill                      | 5     | 102,254,951                             | 102,256,665                       |
| Other intangible assets       | 6     | 18,422,167                              | 12,484,053                        |
| Property, plant and equipment | 7     | 6,787,035                               | 6,607,072                         |
| Long- term financial asset    |       | 639,442                                 | 1,681,981                         |
| Non-current tax assets        |       | 807,223                                 | 1,095,365                         |
| Deferred tax asset            |       | 4,776,269                               | 4,726,068                         |
| Other non current assets      |       | 9,987                                   | 33,098                            |
| <b>Non-current assets</b>     |       | <b>133,697,074</b>                      | <b>128,884,302</b>                |
| <b>Current</b>                |       |   |                                   |
| Trade and other receivables   |       | 34,623,099                              | 36,675,342                        |
| Cash and cash equivalents     |       | 42,072,283                              | 42,413,215                        |
| Short- term financial assets  | 8     | 7,903,185                               | 7,058,455                         |
| Current tax assets            |       | 404,143                                 | 505,345                           |
| Other current assets          |       | 3,365,085                               | 3,320,502                         |
| <b>Current assets</b>         |       | <b>88,367,795</b>                       | <b>89,972,859</b>                 |
| <b>Total assets</b>           |       | <b>222,064,869</b>                      | <b>218,857,161</b>                |
| <b>EQUITY AND LIABILITIES</b> |       |   |                                   |
| <b>Equity</b>                 |       |   |                                   |
| Share capital                 |       | 3,776,175                               | 3,776,175                         |

|  |                    |                    |
|--|--------------------|--------------------|
| Share compensation reserve                                       | 63,986             | 63,986             |
| Additional paid in capital                                       | 15,451,809         | 15,451,809         |
| Merger reserve   | (1,049,386)        | (1,049,386)        |
| Retained earnings  | 129,453,634        | 131,950,337        |
| Other components of equity                                       | (12,296,204)       | (11,669,812)       |
| <b>Total equity attributable to equity holders of the parent</b> | <b>135,400,014</b> | <b>138,523,109</b> |

|   | Notes | As at<br>30 September 2019<br>Unaudited | As at<br>31 March 2019<br>Audited |
|---|-------|---|-----------------------------------|
| <b>Liabilities</b>                      |       |   |                                   |
| <b>Non-current</b>                      |       |   |                                   |
| Long term borrowings                    |       | 38,743,275                              | 870,535                           |
| Employee benefit obligations            |       | 4,046,496                               | 4,101,097                         |
| Other non-current liabilities           |       | -                                       | 216,669                           |
| Deferred tax liability                  |       | 9,313,757                               | 8,574,576                         |
| <b>Non-current liabilities</b>          |       | <b>52,103,528</b>                       | <b>13,762,877</b>                 |
| <b>Current</b>                          |       |   |                                   |
| Short term borrowings                   |       | -                                       | 8,934                             |
| Trade and other payables                |       | 13,497,589                              | 10,574,896                        |
| Employee benefit obligations            |       | 1,000,647                               | 858,384                           |
| Current portion of long term borrowings |       | 10,045,091                              | 45,403,496                        |
| Other current liabilities               |       | 10,018,000                              | 9,725,465                         |
| <b>Current liabilities</b>              |       | <b>34,561,327</b>                       | <b>66,571,175</b>                 |
| <b>Total equity and liabilities</b>     |       | <b>222,064,869</b>                      | <b>218,857,161</b>                |

*(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)*

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

|   | Notes    | For the year<br>ended<br>30 September 2019<br>Unaudited | For the six months<br>ended<br>30 September 2018<br>Unaudited |
|---|----------|---|---|
| <b>Income from operations</b>   |          |   |   |
| Revenue from services   |          | 95,180,896  | 82,361,309  |
| Other operating income  |          | 1,046,950   | 2,724,771   |
|   |          | <b>96,227,846</b>                                       | <b>85,086,080</b>   |
| <b>Cost and expenses</b>  |          |   |   |
| Outsourced service cost   |          | 21,219,347  | 17,959,356  |
| Employee benefits expense   |          | 39,580,811  | 35,284,407  |
| Depreciation and amortization   |          | 2,063,317   | 2,680,368   |
| Other expenses  |          | 6,566,098   | 5,735,424   |
|   |          | <b>69,429,573</b>                                       | <b>61,659,555</b>   |
| <b>Operating profit</b>   |          | <b>26,798,273</b>                                       | <b>23,426,525</b>   |
| Finance income  |          | 360,107   | 288,208   |
| Finance cost  |          | (2,199,643)   | (2,760,603)   |
| <b>Profit before tax</b>  |          | <b>24,958,737</b>                                       | <b>20,954,130</b>   |
| Income tax expense  |          | 3,387,120   | 3,696,473   |
| <b>Profit for the year attributable to equity holders of the parent</b> |          | <b>21,571,617</b>                                       | <b>17,257,657</b>   |
| <b>Earnings per share</b>   |          |   |   |
|   | <b>9</b> |   |   |
| <i>Basic</i>  |          | <i>0.11</i>   | <i>0.09</i>   |
| <i>Diluted</i>  |          | <i>0.11</i>   | <i>0.09</i>   |
| <i>Par value of each share in GBP</i>                                   |          | <i>0.01</i>   | <i>0.01</i>   |

# Unaudited Condensed Consolidated Statements of Other Comprehensive Income

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

|  | For the six months<br>ended<br>30 September 2019<br>Unaudited | For the six months<br>ended<br>30 September 2018<br>Unaudited |
|--|---|---|
| <b>Profit after tax for the year</b>   | 21,571,617  | 17,257,657  |
| <b>Other comprehensive income</b>  |   |   |
| <i>Items that will be reclassified subsequently to the consolidated income statement</i>                             |   |   |
| Exchange differences on translating foreign operations   | (808,836)   | (5,458,225)   |
| <b>Net other comprehensive (loss) that will be reclassified subsequently to consolidated income statement</b>        | <b>(808,836)</b>  | <b>(5,458,225)</b>  |
| <i>Items that will not be reclassified subsequently to income statement</i>  |   |   |
| Remeasurement of the net defined benefit liability   | 257,399   | -   |
| Income tax relating to items that will not be reclassified   | (74,954)  | -   |
| <b>Net other comprehensive income that will be not be reclassified subsequently to consolidated income statement</b> | <b>182,445</b>  | <b>-</b>  |
| <b>Other comprehensive income/(loss) for the year</b>  | <b>(626,391)</b>  | <b>(5,458,225)</b>  |
| <b>Total comprehensive income attributable to equity holders</b>   | <b>20,945,226</b>   | <b>11,799,432</b>   |

*(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 |                    |                    |
| <b>Balance as at 01 April 2018</b>             | <b>3,776,175</b> | <b>15,451,809</b>          | <b>63,986</b>              | <b>(1,049,386)</b> | <b>(9,219,409)</b>                   | <b>706,857</b>                | <b>100,201,260</b> | <b>109,931,292</b> |
| Profit for the year                            | -                | -                          | -                          | -                  | -                                    | -                             | 31,749,077         | 31,749,077         |
| Other comprehensive loss                       | -                | -                          | -                          | -                  | (3,228,735)                          | 71,475                        | -                  | (3,157,260)        |
| <b>Total comprehensive income for the year</b> | <b>-</b>         | <b>-</b>                   | <b>-</b>                   | <b>-</b>           | <b>(3,228,735)</b>                   | <b>71,475</b>                 | <b>31,749,077</b>  | <b>28,591,817</b>  |
| <b>Balance as at 31 March 2019</b>             | <b>3,776,175</b> | <b>15,451,809</b>          | <b>63,986</b>              | <b>(1,049,386)</b> | <b>(12,448,144)</b>                  | <b>778,332</b>                | <b>131,950,337</b> | <b>138,523,109</b> |

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



**iEnergizer Limited**

|  | 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 |                    |                     |
| <b>Balance as at 01 April 2019</b>               | <b>3,776,175</b> | <b>15,451,809</b>          | <b>63,986</b>              | <b>(1,049,386)</b> | <b>(12,448,144)</b>                  | <b>778,332</b>                | <b>131,950,337</b> | <b>138,523,109</b>  |
| Dividends  | -                | -                          | -                          | -                  | -                                    | -                             | (24,068,320)       | <b>(24,068,320)</b> |
| <b><i>Transaction with owners</i></b>            |                  |                            |                            |                    |                                      |                               | (24,068,320)       | <b>(24,068,320)</b> |
| Profit for the year                              | -                | -                          | -                          | -                  | -                                    | -                             | 21,571,617         | <b>21,571,617</b>   |
| Other comprehensive loss                         | -                | -                          | -                          | -                  | (808,836)                            | 182,444                       | -                  | <b>(626,392)</b>    |
| <b>Total comprehensive income for the period</b> | <b>-</b>         | <b>-</b>                   | <b>-</b>                   | <b>-</b>           | <b>(808,836)</b>                     | <b>182,444</b>                | <b>21,571,617</b>  | <b>20,945,225</b>   |
| <b>Balance as at 30 September 2019</b>           | <b>3,776,175</b> | <b>15,451,809</b>          | <b>63,986</b>              | <b>(1,049,386)</b> | <b>(13,256,980)</b>                  | <b>960,776</b>                | <b>129,453,634</b> | <b>135,400,014</b>  |

*(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<br>ended<br>30 September 2019          | For the six months<br>ended<br>30 September 2018          |
|---|---|---|
| <b>(A) Cash flow from operating activities</b>  |   |   |
| Profit before tax   | 24,958,737  | 20,954,130  |
| <b>Adjustments</b>  |   |   |
| Depreciation and amortisation   | 2,063,317   | 2,680,368   |
| Loss/(Profit) on disposal of property, plant and equipment                                | (6,024)   | (9,312)   |
| Trade receivables written-off/provision for doubtful debts                                | (65,262)  | (411)   |
| Unrealised and Realised foreign exchange gain   | (174,089)   | (2,398,514)   |
| Finance income  | (360,107)   | (288,208)   |
| Finance cost  | 2,199,643   | 2,760,603   |
|   | <b>28,616,215</b>   | <b>23,698,656</b>   |
| <b>Changes in operating assets and liabilities</b>  |   |   |
| (Increase)/ Decrease in trade and other receivables                                       | 2,015,601   | (4,050,098)   |
| (Increase)/ Decrease in other assets (current and non-current)                            | 941,298   | (305,985)   |
| Increase / (Decrease) Non-current liabilities, trade payables & other current liabilities | 2,670,121   | (3,685,214)   |
| (Decrease)/ Increase in employee benefit obligations                                      | 307,761   | (657,949)   |
| <b>Cash generated from operations</b>   | <b>34,550,996</b>   | <b>14,999,410</b>   |
| Income taxes paid   | (2,383,750)   | (2,704,661)   |
| <b>Net cash generated from operating activities</b>                                       | <b>32,167,246</b>   | <b>12,294,749</b>   |
| <b>(B) Cash flow for investing activities</b>   |   |   |
| Payments for purchase of property plant and equipment                                     | (1,521,588)   | (2,005,663)   |
| Investment in fixed deposit (Net)   | (883,210)   | 40,211  |
| Proceeds from disposal of property, plant & equipment                                     | 6,581   | 9,312   |
| Payments for purchase of other intangible assets  | (220,909)   | (196,939)   |
| Interest received   | 400,808   | 263,654   |
| <b>Net cash used in investing activities</b>  | <b>(2,218,318)</b>  | <b>(1,889,425)</b>  |
|   | <b>For the six months<br/>ended<br/>30 September 2019</b> | <b>For the six months<br/>ended<br/>30 September 2018</b> |

**(C) Cash flow from financing activities**

|   |                    |                     |
|---|--------------------|---------------------|
| Interest paid   | (2,145,802)        | (2,371,072)         |
| Repayment of long-term borrowings                           | (4,150,357)        | (8,274,611)         |
| <b>Net cash used in financing activities</b>                | <b>(6,296,159)</b> | <b>(10,645,683)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>23,652,769</b>  | <b>(240,359)</b>    |
| Dividends paid to equity holders of the parent              | (24,068,320)       | -                   |
| Cash and cash equivalents at the beginning of the year      | 42,404,281         | 33,371,550          |
| Effect of exchange rate changes on cash                     | 83,553             | 292,269             |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>42,072,283</b>  | <b>33,423,460</b>   |
| <b>Cash and cash equivalents comprise</b>                   |                    |                     |
| Cash in hand  | 8,337              | 12,681              |
| Balances with banks in current account                      | 42,063,946         | 33,410,779          |
| Bank overdraft  | -                  | -                   |
|   | <b>42,072,283</b>  | <b>33,423,460</b>   |

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

# Notes to Unaudited Condensed Consolidated Interim Financial Statements

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

## 1. INTRODUCTION

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

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 BPO Inc, iEnergizer Aptara Limited and Aptara Inc and subsidiaries. (together the 'Group') is engaged in the business of call centre operations, providing business process outsource (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 2019 and 2018. 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 2019 and 2018.

The Unaudited Condensed Consolidated Interim Financial Statements have 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 12 November 2019.

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 2019 and 2018.

### **IFRS 16 – Lease Accounting**

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 lease 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 effective date for adoption of IFRS 16 is annual periods beginning on or after 1 April 2019

The Group has applied IFRS 16 using the modified retrospective second approach, by measuring the asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognized immediately before the date of initial application.

The Group has applied the following practical expedients:-

- a) On Transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 8.40%.
- b) On Transition for Leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low- value assets the Group has applied the optional exemptions to not recognize right of use assets but to account for the lease expense on a straight-line method over the remaining lease term.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2020. The Group has initially adopted IFRS 16 Leases from 1 April 2019. The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information is still reported under IAS -17.

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

| <b><u>Reconciliation at 31st March 2019</u></b>               | <b>Amount in USD</b> |
|---|----------------------|
| <b>Particulars</b>  |                      |
| Gross Lease Liabilities at 31 March 2019                      | <b>7,308,682</b>     |
| Less - Lease with remaining lease term of less than 12 months | -                    |
| Less – Discounted using incremental borrowing rate            | <b>(956,476)</b>     |
| Add – Other Finance Lease liabilities                         | -                    |
| Present value of Lease Liabilities at 31 March 2019           | <b>6,352,206</b>     |

#### **Policy for new leases started from or after 1 April 2019**

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract or part of contract that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether it meets three key evaluation points:

- The contract contained identified asset.
- Group has the right to obtain substantially all the economic benefit from the use of identified asset throughout the period of use.
- The Group has right to direct the use of the identified asset throughout the period of use.

#### **Measurement and Recognition of leases as a lessee**

At the commencement date, the Group recognizes a right of use asset and a lease liability on the balance sheet date. The right of use asset is measured at cost, which is made up of initial measurement of a lease liability and any initial direct cost incurred by the Group.

The Group depreciates the right of use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of lease term. The Group also assesses the right of use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**Policy for the comparative period (which has not been restated) has been repeated as follows:-**

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 and 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 capitalized 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 recognized 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 recognized 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.

**Consolidated Lease Position as at 30th Sep 2019**

| <b>Particulars</b>   | <b>Amount in USD</b> |
|--|----------------------|
| Fixed Asset- Lease Hold Improvement 1 April 2019               | 6,352,206            |
| Fixed Asset- Lease Hold Improvement addition during six months | 258,645              |
| Accumulated Depreciation till 30 September 2019                | (619,123)            |
| <b>Net Block as on 30 September 2019</b>                       | <b>5,991,728</b>     |

**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 2019.

## 5. GOODWILL

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

| <b>Particulars</b>                 | <b>Amount</b>      |
|------------------------------------|--------------------|
| Balance as at 01 April 2018        | 102,265,086        |
| Impairment loss recognized         | -                  |
| Translation adjustment             | (8,421)            |
| <b>Balance as at 31 March 2019</b> | <b>102,256,665</b> |

| <b>Particulars</b>                     | <b>Amount</b>      |
|--|--------------------|
| Balance as at 01 April 2019            | 102,256,665        |
| Translation adjustment                 | (1,714)            |
| <b>Balance as at 30 September 2019</b> | <b>102,254,951</b> |

## 6. OTHER INTANGIBLE ASSETS

The Intangible assets comprise of computer software, customer contracts.

| Particulars                                | Customer contracts* | Computer software | Patent         | Trademark         | Intangibles under development | Total             |
|--|---------------------|-------------------|----------------|-------------------|-------------------------------|-------------------|
| <b>Cost</b>                                |                     |                   |                |                   |                               |                   |
| <b>Balance as at 01 April 2018</b>         | 24,122,232          | 3,589,438         | 100,000        | 12,000,000        | 132,490                       | 39,944,160        |
| Additions                                  | -                   | 576,081           |                |                   |                               | 576,081           |
| Disposals                                  | -                   | -                 | -              | -                 | -                             | -                 |
| Translation adjustment                     | (9,418)             | (221,500)         | -              | -                 | -                             | (230,918)         |
| <b>Balance as at 31 March 2019</b>         | <b>24,112,814</b>   | <b>3,944,019</b>  | <b>100,000</b> | <b>12,000,000</b> | <b>132,490</b>                | <b>40,289,323</b> |
| <b>Accumulated amortisation</b>            |                     |                   |                |                   |                               |                   |
| <b>Balance as at 01 April 2018</b>         | 21,806,084          | 3,235,118         | -              | -                 | 132,490                       | 25,173,692        |
| Amortisation/ impairment for the period    | 2,316,148           | 523,642           | -              | -                 | -                             | 2,839,790         |
| Disposals                                  | -                   | -                 | -              | -                 | -                             | -                 |
| Translation adjustment                     | (9,418)             | (198,794)         | -              | -                 | -                             | (208,212)         |
| <b>Balance as at 31 March 2019</b>         | <b>24,112,814</b>   | <b>3,559,966</b>  | <b>-</b>       | <b>-</b>          | <b>132,490</b>                | <b>27,805,270</b> |
| <b>Carrying values as at 31 March 2019</b> | <b>-</b>            | <b>384,053</b>    | <b>100,000</b> | <b>12,000,000</b> | <b>-</b>                      | <b>12,484,053</b> |

\*Customer contracts are intangible assets created for long standing customer relationships in the 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 Nil.

| Particulars                        | Customer contracts* | Computer software | Patent  | Trademark  | Intangibles under development | Right of Use Asset** | Total      |
|------------------------------------|---------------------|-------------------|---------|------------|-------------------------------|----------------------|------------|
| <b>Cost</b>                        |                     |                   |         |            |                               |                      |            |
| <b>Balance as at 01 April 2019</b> | 24,112,814          | 3,944,019         | 100,000 | 12,000,000 | 132,490                       | -                    | 40,289,323 |
| Additions                          | -                   | 150,903           | -       | -          | -                             | 6,635,210            | 6,786,113  |



|   |                   |                  |                |                   |                |                  |                   |
|---|-------------------|------------------|----------------|-------------------|----------------|------------------|-------------------|
| Disposals                                 | -                 | -                | -              | -                 | -              | -                | -                 |
| Translation adjustment                    | (1,917)           | (52,902)         | -              | -                 | (45,647)       | (24,359)         | (124,825)         |
| <b>Balance as at 30 Sept 2019</b>         | <b>24,110,897</b> | <b>4,042,020</b> | <b>100,000</b> | <b>12,000,000</b> | <b>132,490</b> | <b>6,610,851</b> | <b>46,996,258</b> |
| <b>Accumulated amortisation</b>           |                   |                  |                |                   |                |                  |                   |
| <b>Balance as at 01 April 2019</b>        | 24,112,814        | 3,559,966        | -              | -                 | 132,490        | -                | 27,805,270        |
| Amortisation/impairment for the period    | -                 | 198,937          | -              | -                 | -              | 618,554          | 817,491           |
| Disposals                                 | -                 | -                | -              | -                 | -              | -                | -                 |
| Translation adjustment                    | (1,917)           | (47,322)         | -              | -                 | -              | 569              | (48,670)          |
| <b>Balance as at 30 Sept 2019</b>         | <b>24,110,897</b> | <b>3,711,581</b> | <b>-</b>       | <b>-</b>          | <b>132,490</b> | <b>619,123</b>   | <b>28,574,091</b> |
| <b>Carrying values as at 30 Sept 2019</b> | <b>-</b>          | <b>330,439</b>   | <b>100,000</b> | <b>12,000,000</b> | <b>-</b>       | <b>5,991,728</b> | <b>18,422,167</b> |

\*Customer contracts are intangible assets created for long standing customer relationships in the 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 Nil.

\*\*Right of Use Asset has been generated in compliance with adoption of IFRS 16 on Lease Accounting.

## 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 | Capital work in progress | Total             |
|--|-----------------------------|------------------|------------------------|-------------------------------|---------------|------------------------|---------------------|--------------------------|-------------------|
| <b>Cost</b>                                |                             |                  |                        |                               |               |                        |                     |                          |                   |
| <b>Balance as at 01 April 2018</b>         | 6,109,821                   | 874,293          | 1,247,285              | 378,237                       | 37,066        | 4,400,598              | 2,256,054           | 122,531                  | 15,425,885        |
| Additions                                  | 2,741,100                   | 43,318           | 284,368                | 565,532                       | -             | 593,856                | 210,222             | 101,777                  | 4,540,173         |
| Disposals (Net)                            | (121,154)                   | (12,438)         | (20,576)               | (5,678)                       | (14,885)      | -                      | (18,356)            | -                        | (193,087)         |
| Translation and other adjustment           | (323,214)                   | (50,401)         | (72,347)               | (21,372)                      | (1,434)       | (277,327)              | (131,350)           | -                        | (877,445)         |
| <b>Balance as at 31 March 2019</b>         | <b>8,406,553</b>            | <b>854,772</b>   | <b>1,438,730</b>       | <b>916,719</b>                | <b>20,747</b> | <b>4,717,127</b>       | <b>2,316,570</b>    | <b>224,308</b>           | <b>18,895,526</b> |
| <b>Accumulated depreciation</b>            |                             |                  |                        |                               |               |                        |                     |                          |                   |
| <b>Balance as at 01 April 2018</b>         | <b>4,782,524</b>            | <b>719,304</b>   | <b>740,357</b>         | <b>208,657</b>                | <b>30,768</b> | <b>2,545,403</b>       | <b>1,748,184</b>    | <b>-</b>                 | <b>10,775,197</b> |
| Depreciation for the year                  | 1,158,555                   | 111,228          | 316,403                | 66,624                        | 1,697         | 457,759                | 236,334             | -                        | 2,348,600         |
| Disposals (Net)                            | (121,154)                   | (12,366)         | (20,559)               | (26)                          | (14,885)      | -                      | (18,356)            | -                        | (187,346)         |
| Translation and other adjustments          | (297,468)                   | (40,102)         | (40,177)               | (13,150)                      | (1,019)       | (156,878)              | (99,203)            | -                        | (647,997)         |
| <b>Balance as at 31 March 2019</b>         | <b>5,522,457</b>            | <b>778,064</b>   | <b>996,024</b>         | <b>262,105</b>                | <b>16,561</b> | <b>2,846,284</b>       | <b>1,866,959</b>    | <b>-</b>                 | <b>12,288,454</b> |
| <b>Carrying values as at 31 March 2019</b> | <b>2,884,096</b>            | <b>76,708</b>    | <b>442,706</b>         | <b>654,614</b>                | <b>4,186</b>  | <b>1,870,843</b>       | <b>449,611</b>      | <b>224,308</b>           | <b>6,607,072</b>  |

| Particulars                        | Computer and data equipment | Office Equipment | Furniture and fixtures | Air conditioner and generator | Vehicle        | Leasehold improvements | Plant and machinery | Capital work in progress | Total             |
|------------------------------------|-----------------------------|------------------|------------------------|-------------------------------|----------------|------------------------|---------------------|--------------------------|-------------------|
| <b>Cost</b>                        |                             |                  |                        |                               |                |                        |                     |                          |                   |
| <b>Balance as at 01 April 2019</b> | 8,406,553                   | 854,772          | 1,438,730              | 916,719                       | 20,747         | 4,717,127              | 2,316,570           | 224,308                  | 18,895,526        |
| Additions                          | 1,037,685                   | 18,062           | 13,039                 | 17,696                        | 280,348        | 83,930                 | 92,826              | (21,999)                 | 1,521,587         |
| Disposals (Net)                    | (78,892)                    | -                | -                      | -                             | -              | -                      | (5,215)             | -                        | (84,107)          |
| Translation and other adjustment   | (123,241)                   | (10,917)         | (18,707)               | (13,026)                      | (909)          | (66,006)               | (29,339)            | (1,572)                  | (263,717)         |
| <b>Balance as at 30 Sept 2019</b>  | <b>9,242,105</b>            | <b>861,917</b>   | <b>1,433,062</b>       | <b>921,389</b>                | <b>300,186</b> | <b>4,735,051</b>       | <b>2,374,842</b>    | <b>200,737</b>           | <b>20,069,289</b> |
| <b>Accumulated depreciation</b>    |                             |                  |                        |                               |                |                        |                     |                          |                   |
| <b>Balance as at 01 April 2019</b> | <b>5,522,457</b>            | <b>778,064</b>   | <b>996,024</b>         | <b>262,104</b>                | <b>16,561</b>  | <b>2,846,284</b>       | <b>1,866,960</b>    | <b>-</b>                 | <b>12,288,454</b> |

|   |                  |                |                  |                |                |                  |                  |                |                   |
|---|------------------|----------------|------------------|----------------|----------------|------------------|------------------|----------------|-------------------|
| Depreciation for the period               | 767,123          | 37,675         | 50,621           | 57,422         | 5,759          | 230,206          | 97,020           | -              | 1,245,826         |
| Disposals (Net)                           | (78,335)         | -              | -                | -              | -              | -                | (5,215)          | -              | (83,550)          |
| Translation and other adjustments         | (80,279)         | (9,689)        | (12,807)         | (4,103)        | (266)          | (38,569)         | (22,762)         | -              | (168,475)         |
| <b>Balance as at 30 Sept 2019</b>         | <b>6,130,966</b> | <b>806,050</b> | <b>1,033,838</b> | <b>315,423</b> | <b>22,054</b>  | <b>3,037,921</b> | <b>1,936,003</b> | <b>-</b>       | <b>13,282,255</b> |
| <b>Carrying values as at 30 Sept 2019</b> | <b>3,111,139</b> | <b>55,867</b>  | <b>399,224</b>   | <b>605,966</b> | <b>278,132</b> | <b>1,697,130</b> | <b>438,839</b>   | <b>200,737</b> | <b>6,787,035</b>  |

## 8. SHORT TERM FINANCIAL ASSETS

| <b>Particulars</b>  | <b>30 September 2019</b> | <b>31 March 2019</b> |
|---|--------------------------|----------------------|
| Security deposits   | 9,126                    | 11,985               |
| Restricted cash   | 5,055,927                | 4,747,604            |
| Short term investments (fixed deposits with maturity less than 12 months) | 2,758,929                | 1,803,959            |
| Derivative financial instruments  | 9,487                    | 426,984              |
| Due from officers and employees   | 62,526                   | 20,032               |
| Others  | 7,190                    | 47,891               |
|   | <b>7,903,185</b>         | <b>7,058,455</b>     |

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 2019 is as follows:

### asic earnings per share

| <b>Particulars</b>                          | <b>30 September 2019</b> | <b>30 September 2018</b> |
|---|--------------------------|--------------------------|
| Profit attributable to shareholders         | 21,571,617               | 17,257,657               |
| Weighted average numbers shares outstanding | 190,130,008              | 190,130,008              |
| Basic earnings per share (US\$)             | 0.11                     | 0.09                     |

### Diluted earnings per share

| <b>Particulars</b>                          | <b>30 September 2019</b> | <b>30 September 2018</b> |
|---|--------------------------|--------------------------|
| Profit attributable to shareholders         | 21,571,617               | 17,257,657               |
| Weighted average numbers shares outstanding | 190,130,008              | 190,130,008              |
| Diluted earnings per share (US\$)           | 0.11                     | 0.09                     |

## 10. RELATED PARTY TRANSACTIONS

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

| <b>Nature of the relationship</b>  | <b>Related Party's Name</b>  |
|--|--|
| 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 (Cyprus) Limited ( <i>Parent of iEnergizer Limited</i> )  |
| III. Key management personnel ("KMP") and significant shareholders   | Mr. Anil Aggarwal ( <i>Ultimate Shareholder, EICR Limited</i> )<br>Mr. Chris de Putron ( <i>Director, iEnergizer Limited</i> )<br>Mr. Mark De La Rue ( <i>Director, iEnergizer Limited</i> )<br>Mr. Marc Vassanelli ( <i>Director, iEnergizer Limited</i> )<br>Mr. Ashish Madan ( <i>Director, iEnergizer Limited</i> ) <i>m.e.f.</i><br><i>16 August 2018</i> |

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

### Transactions with KMP and relative of KMP

| <b>Particulars</b>                          | <b>30 September 2019</b> | <b>30 September 2018</b> |
|---|--------------------------|--------------------------|
| <b>Transactions during the period ended</b> |                          |                          |
| Short term employee benefits                |                          |                          |
| <i>Remuneration paid to directors</i>       |                          |                          |
| Chris de Putron                             | 6,249                    | 6,559                    |
| Mark De La Rue                              | 6,249                    | 6,559                    |
| Marc Vassanelli                             | 18,747                   | 19,678                   |
| <b>Balances at the end of</b>               |                          |                          |
| Total remuneration payable                  | 109,385                  | 71,678                   |

## 11. SEGMENT REPORTING

Management currently identifies the Group's two service lines business process outsource 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 reportable segments. The Group’s reportable segments are as follows:

1. Business Process Outsource
2. Content delivery
3. 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 2019                |                   |                    |                   |
|---|----------------------------------|-------------------|--------------------|-------------------|
|   | Business<br>Process<br>Outsource | Content delivery  | Others             | Total             |
| Revenue from external customers   | 59,433,379                       | 35,747,517        | -                  | 95,180,896        |
| Other income (including realised foreign exchange gain)   | 1,023,702                        | 280,168           | 4,524              | 1,308,394         |
| <b>Segment revenue</b>  | <b>60,457,081</b>                | <b>36,027,685</b> | <b>4,524</b>       | <b>96,489,290</b> |
| <b>Less:-</b>   |                                  |                   |                    |                   |
| Cost of outsourced Services   | 16,144,667                       | 5,074,680         | -                  | 21,219,347        |
| Employee benefit expense  | 20,188,248                       | 19,392,563        | -                  | 39,580,811        |
| Other expenses  | 3,339,716                        | 2,726,155         | 500,227            | 6,566,098         |
| <b>Earning before interest, tax, depreciation and amortisation</b>  | <b>20,784,450</b>                | <b>8,834,288</b>  | <b>(495,703)</b>   | <b>29,123,034</b> |
| <b>Rent credit adjustment as per IFRS 16</b>  | <b>(281,860)</b>                 | <b>(602,398)</b>  | <b>-</b>           | <b>(884,258)</b>  |
| <b>Earning before interest, tax, depreciation and amortisation (before IFRS 16 rent credit adjustment )</b> | <b>20,502,589</b>                | <b>8,231,890</b>  | <b>(495,703)</b>   | <b>28,238,776</b> |
| Unrealized Foreign Exchange gain/(loss)   | -                                | (261,444)         | -                  | (261,444)         |
| Depreciation and amortisation   | 959,531                          | 1,103,786         | -                  | 2,063,317         |
| Rent adjustment as per IFRS 16  | 281,860                          | 602,398           | -                  | 884,258           |
| <b>Segment operating profit</b>   | <b>19,824,918</b>                | <b>7,469,058</b>  | <b>(495,703)</b>   | <b>26,798,273</b> |
| <b>Other Income/expense :</b>   |                                  |                   |                    |                   |
| Finance income  | 135,427                          | 113,968           | 110,712            | 360,107           |
| Finance costs   | (256,274)                        | (1,119,634)       | (823,735)          | (2,199,643)       |
| <b>Profit before tax</b>  | <b>19,704,071</b>                | <b>6,463,392</b>  | <b>(1,208,726)</b> | <b>24,958,737</b> |
| Income tax expense  | 1,954,446                        | 1,432,675         | -                  | 3,387,120         |
| <b>Profit after tax</b>   | <b>17,749,626</b>                | <b>5,030,717</b>  | <b>(1,208,726)</b> | <b>21,571,617</b> |
| Segment assets  | 48,324,778                       | 156,564,586       | 17,175,505         | 222,064,869       |
| Segment liabilities   | 20,317,643                       | 48,416,000        | 17,931,212         | 86,664,855        |
| Capital expenditure   | 4,682,531                        | 3,625,169         | -                  | 8,307,700         |

30 September 2018

|  | <b>Business<br/>Process<br/>Outsource</b> | <b>Content<br/>delivery</b> | <b>Others</b>     | <b>Total</b>      |
|--|---|-----------------------------|-------------------|-------------------|
| Revenue from external customers                                    | 48,093,184                                | 34,268,125                  | -                 | 82,361,309        |
| Other income (including realized foreign exchange gains)           | 409,617                                   | 471,386                     | 850               | 881,853           |
| <b>Segment revenue</b>   | <b>48,502,801</b>                         | <b>34,739,511</b>           | <b>850</b>        | <b>83,243,162</b> |
| <b>Less:-</b>  |   |                             |                   |                   |
| Cost of outsourced Services  | 13,506,125                                | 4,453,231                   | -                 | 17,959,356        |
| Employee benefit expense   | 15,973,780                                | 19,310,627                  | -                 | 35,284,407        |
| Other expenses   | 1,749,646                                 | 3,515,201                   | 470,577           | 5,735,424         |
| <b>Earning before interest, tax, depreciation and amortisation</b> | <b>17,273,250</b>                         | <b>7,460,452</b>            | <b>(469,727)</b>  | <b>24,263,975</b> |
| Unrealized Foreign Exchange gain/(loss)                            | -   | 1,842,918                   | -                 | 1,842,918         |
| Depreciation and amortisation                                      | 605,108                                   | 2,075,260                   | -                 | 2,680,368         |
| <b>Segment operating profit</b>                                    | <b>16,668,142</b>                         | <b>7,228,110</b>            | <b>(469,727)</b>  | <b>23,426,525</b> |
| <b>Other Income/expense :</b>                                      |   |                             |                   |                   |
| Finance income   | 138,957                                   | 126,948                     | 22,303            | 288,208           |
| Finance costs  | (16,061)                                  | (1,139,625)                 | (1,604,916)       | (2,760,603)       |
| <b>Profit before tax</b>   | <b>16,791,038</b>                         | <b>6,215,433</b>            | <b>2,052,340</b>  | <b>20,954,131</b> |
| Income tax expense   | 2,526,676                                 | 1,169,797                   | -                 | 3,696,473         |
| <b>Profit after tax</b>  | <b>14,264,361</b>                         | <b>5,045,637</b>            | <b>2,052,340)</b> | <b>17,257,658</b> |
| Segment assets   | 43,431,117                                | 75,456,382                  | 86,626,765        | 205,514,264       |
| Segment liabilities  | 15,147,228                                | 46,029,831                  | 22,606,489        | 83,783,548        |
| Capital expenditure  | 1,874,708                                 | 339,414                     | -                 | 2,214,122         |

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

|                     |                            | <b>30 September 2019</b> |
|---------------------|----------------------------|--------------------------|
| <b>Revenue from</b> | <b>Segment</b>             | <b>Amount</b>            |
| Customer 1          | Business Process Outsource | 9,928,185                |

  

|                     |                            | <b>30 September 2018</b> |
|---------------------|----------------------------|--------------------------|
| <b>Revenue from</b> | <b>Segment</b>             | <b>Amount</b>            |
| Customer 1          | Business Process Outsource | 9,763,189                |

## 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 2019 | 31 March 2019     |
|--|-------------------|-------------------|
| <b>Non-current assets</b>                                |                   |                   |
| <i>Loans and receivables</i>                             |                   |                   |
| Security deposits  | 530,183           | 507,498           |
| Restricted cash  | 109,259           | 108,591           |
| Fixed deposit  | -                 | 1,065,892         |
| <b>Current assets</b>                                    |                   |                   |
| <i>Loans and receivables</i>                             |                   |                   |
| Trade receivables  | 34,623,099        | 36,675,342        |
| Cash and cash equivalents                                | 42,072,283        | 42,413,215        |
| Restricted cash  | 5,055,927         | 4,747,604         |
| Security deposits  | 9,126             | 11,985            |
| Short term investments                                   | 2,758,929         | 1,803,959         |
| Due from officers and employees                          | 62,526            | 20,032            |
| Other short term financial assets                        | 7,190             | 47,891            |
| <i>Fair value through profit and loss:</i>               |                   |                   |
| Derivative financial instruments                         | 9,487             | 426,984           |
|  | <b>85,238,009</b> | <b>87,828,993</b> |
| <hr/>  |                   |                   |
| Financial liabilities                                    | 30 September 2019 | 31 March 2019     |
| <b>Non-current liabilities</b>                           |                   |                   |
| <i>Financial liabilities measured at amortized cost:</i> |                   |                   |
| Long term borrowings                                     | 38,743,275        | 870,535           |
| <b>Current liabilities</b>                               |                   |                   |
| <i>Financial liabilities measured at amortized cost:</i> |                   |                   |
| Short term borrowings                                    | -                 | 8,934             |
| Trade payables   | 13,497,589        | 10,574,896        |
| Current portion of long term borrowings                  | 10,045,091        | 45,403,496        |
| Other current liabilities                                | 10,018,000        | 9,725,465         |
| <i>Fair value through profit and loss:</i>               |                   |                   |
| Derivative financial instruments                         | -                 | -                 |
|  | <b>72,303,955</b> | <b>66,583,326</b> |

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:

|   |                   | <u>Fair value measurements at reporting date using</u> |
|---|-------------------|--|
| <b>30 September 2019</b>                | <b>Total</b>      | <b>Level 2</b>   |
|   | (Notional amount) |  |
| <b>Liabilities</b>                      |                   |  |
| <i>Derivative instruments</i>           |                   |  |
| Forward contracts (currency – US\$/INR) | 32,440,000        | 9,487  |
|   |                   | <u>Fair value measurements at reporting date using</u> |
| <b>31 March 2019</b>                    | <b>Total</b>      | <b>Level 2</b>   |
|   | (Notional amount) |  |
| <b>Assets</b>                           |                   |  |
| <i>Derivative instruments</i>           |                   |  |
| Forward contracts (currency – US\$/INR) | 18,700,000        | 426,984  |

### 14. COMMITMENT AND CONTINGENCIES

As at 30 September 2019 and 31 March 2019, the Group had a capital commitment of US\$ 257,684 and US\$126,817 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 US\$129,483 and US\$122,834 as on 30 September 2019 and 31 March 2019 respectively and in respect of interest on VAT amounts to US\$9,918 as on 30 September 2019 (US\$10,060 as on 31 March 2019).

Guarantees: As at 30 September 2019 and 31 March 2019, guarantees provided by banks on behalf of the group companies to the revenue authorities and certain other agencies, amount to approximately US\$34,555 and US\$35,049 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 2019 and 2018.

## **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 2019 and 2018.