



Allsec Technologies Limited
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Part I : Statement of Un-Audited Financial Results for the Quarter and Nine months period ended December 31, 2014

(Rupees in Lakhs except EPS and shareholding data)

Sl. No.	Particulars	Standalone Results						Consolidated Results					
		Quarter Ended		Nine Months Period Ended		Year Ended	Quarter Ended		Nine Months Period Ended		Year Ended		
		31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income from operations												
	Net Sales / Income from Operations	2,469	2,368	2,696	7,264	8,180	10,674	3,313	3,460	4,909	11,051	15,851	19,962
	Total income from operations	2,469	2,368	2,696	7,264	8,180	10,674	3,313	3,460	4,909	11,051	15,851	19,962
2	Expenses												
	a Connectivity Cost	122	119	163	376	472	618	128	128	183	398	525	664
	b Employee benefits expense	1,575	1,544	1,480	4,573	4,517	5,804	2,422	2,589	3,812	8,210	13,109	16,339
	Bad debts written off / Provision for loans & investments in subsidiary	-	-	-	-	-	275	-	-	-	-	-	223
	d Impairment loss / loss on fixed assets written off [Refer Note 6]	-	-	3	-	-	76	-	-	-	-	-	1,032
	e Other expenses	688	723	661	2,130	2,192	2,809	1,042	1,174	1,386	3,469	4,231	5,427
	f Depreciation and Amortisation	157	168	168	513	571	748	267	277	315	849	953	1,242
	Total expenses	2,542	2,554	2,475	7,592	7,752	10,330	3,859	4,168	5,696	12,926	18,818	24,927
3	Profit / (Loss) from operations before other income and finance costs	(73)	(186)	221	(328)	428	344	(546)	(708)	(787)	(1,875)	(2,967)	(4,965)
4	Other Income	89	77	69	221	297	276	226	228	73	606	226	271
5	Profit / (Loss) from ordinary activities before finance costs	16	(109)	290	(107)	725	620	(320)	(480)	(714)	(1,269)	(2,741)	(4,694)
6	Finance costs	10	11	14	32	40	77	38	39	268	157	597	669
7	Profit / (Loss) from ordinary activities before tax	6	(120)	276	(139)	685	543	(358)	(519)	(982)	(1,426)	(3,338)	(5,363)
8	Tax expense	-	-	-	-	-	-	6	7	72	13	(732)	(1,649)
9	Net Profit / (Loss) from ordinary activities after tax	6	(120)	276	(139)	685	543	(364)	(526)	(1,054)	(1,439)	(2,606)	(3,714)
10	Minority interest	-	-	-	-	-	-	-	-	(414)	-	(1,015)	(1,211)
11	Net Profit / (Loss) after taxes and minority interest	6	(120)	276	(139)	685	543	(364)	(526)	(640)	(1,439)	(1,591)	(2,503)
12	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
13	Reserves (at year end excluding Revaluation Reserve)						10,497						6,430
14	Earning per Share (Rs.)												
	a) Basic	0.04	(0.79)	1.81	(0.91)	4.49	3.57	(2.39)	(3.45)	(4.20)	(9.44)	(10.44)	(16.43)
	b) Diluted	0.04	(0.79)	1.81	(0.91)	4.49	3.47	(2.39)	(3.45)	(4.20)	(9.44)	(10.44)	(16.43)
		[Not Annualised]	[Not Annualised]	[Not Annualised]	[Not Annualised]	[Not Annualised]		[Not Annualised]	[Not Annualised]	[Not Annualised]	[Not Annualised]	[Not Annualised]	

Notes:

Un-Audited Consolidated Segment Information for the Quarter and Nine months period ended December 31, 2014

Sl. No.	Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
		31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
1	Segment revenue						
	ITES-BPO	2,771	2,719	2,921	8,175	9,193	11,914
	Mortgage services	542	741	1,988	2,876	6,658	8,048
	Total revenue	3,313	3,460	4,909	11,051	15,851	19,962
2	Segment profit after tax before minority interest						
	ITES-BPO	80	(80)	133	(35)	321	285
	Mortgage Services	(444)	(446)	(1,187)	(1,404)	(2,927)	(3,999)
	Total	(364)	(526)	(1,054)	(1,439)	(2,606)	(3,714)
3	Capital Employed						
	ITES-BPO	7,901	7,833	8,424	7,901	8,424	8,358
	Mortgage Services	(1,778)	(1,219)	987	(1,778)	987	(144)
	Total Capital Employed	6,123	6,614	9,411	6,123	9,411	8,214

1 The above un-audited financial results of the Company have been reviewed by the Audit Committee at their meeting held on February 11, 2015 and approved by the Board of Directors at their meeting held on February 11, 2015 and the standalone results have been subject to a limited review by the Statutory Auditors.

2 The consolidated results for the quarter and nine months ended December 31, 2014 includes the results of the Company's subsidiaries - Allsectech Inc, USA, Allsectech Manila Inc, Philippines, Retreat Capital Management Inc., USA and Centigral Inc., USA.

3 As per Accounting Standard 17 on Segment Reporting, the Company's (consolidated operations) relates to "ITES-BPO" and "Mortgage Services" segment.

4 The statutory auditors have in their limited review report for the quarter ended December 31, 2014 observed that " the Company has investments aggregating Rs 3,800 lakhs, advances recoverable of Rs. 630 lakhs and receivable balance (net) of Rs. 191 lakhs, in two subsidiaries, Allsectech Inc., USA and Allsectech Manila Inc., Philippines, whose net worth has been fully eroded. The recovery of the value of such balances from the subsidiary is dependent upon the ability of the subsidiary to establish successful operations in the future and achieve sustained profitability. For the reasons stated in the said note, management of the Company is confident that no adjustment to the carrying values of these investments, advances and receivables are required. In view of the operational and financial position of the subsidiary as noted above, we are unable to comment on the adjustments, if any, that may be required to be made to the carrying value of such investments, advances and receivables. Our review report in respect of the quarter ended September 30, 2014 and June 30, 2014, and auditor's report on the financial statements of the Company for the year ended March 31, 2014, was also qualified in respect of the above matter".

The Management has undertaken several initiatives to improve the income from operations to establish profitable operations of the two subsidiaries. Based on the expected revenue potential from the customer contracts at Allsectech Inc US and Allsectech Manila, Inc and also the subleasing arrangements entered into to earn alternative sources of income at Allsectech Manila Inc., Philippines, the management expects that these business arrangements would result in significant increase in the revenue and management would be able to achieve sustained profitability. As regard to Allsectech Inc., USA, the management also believes that the synergy of the consolidated operations of parent and subsidiary increases the operational efficiency of the group.

Considering that the investment in subsidiary is long term in nature and steps have been taken by the management for turnaround of the subsidiary, diminution in value is considered as temporary and management is of the view that no provision is required to be made to the carrying value of such investments, advances and receivables.

5 The cost incurred in developing MSP software was written off during the last quarter of the previous year as the envisaged system which is on a leased platform does not have any customers nor any immediate revenue potential due to changes in the market place.

6 The Company has adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013. Due to the above, depreciation charge for the quarter ended June 30, 2014 was higher by Rs. 31 lakhs. Further, based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 395 lakhs has been adjusted to the balance carried forward (deficit) in the statement of profit and loss.

7 Previous year / period figures have been regrouped / reclassified wherever necessary to confirm with current year / period figures.

For and on behalf of the Board of Directors

Place : Chennai
Date: February 11, 2015

R Jagadish
Director & CEO