S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of
Allsec Technologies Limited,

1. We have audited the quarterly stand-alone financial results of Allsec Technologies Limited for the quarter ended March 31, 2014 and the stand-alone financial results for the year ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly stand-alone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The stand-alone financial results for the quarter ended March 31, 2014 have been prepared on the basis of the stand-alone financial results for the nine-month period ended December 31, 2013, the audited annual stand-alone financial statements as at and for the year ended March 31, 2014, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these stand-alone financial results based on our review of the stand-alone financial results for the nine-month period ended December 31, 2013 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India; our audit of the annual stand-alone financial statements as at and for the year ended March 31, 2014; and the relevant requirements of Clause 41 of the Listing Agreement.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. *The financial statements as at March 31, 2014 include investments in equity and preference share capital in its wholly owned subsidiary Allsectech Manila Inc., Philippines aggregating Rs. 2,586 lakhs (March 31, 2013: Rs. 1,020 lakhs as investments and Rs 1,443 as advance towards share capital). The subsidiary's accumulated losses have fully eroded its net worth as at March 31, 2014. Management has undertaken several initiatives to improve its income from operations and establish profitable operations. The recovery of the value of such investment in the subsidiary is dependent upon the ability of the subsidiary to establish successful operations in the future and achieve sustained profitability. 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 and advances. Our audit opinion on the financial statements for the year ended March 31, 2013 was also qualified in respect of the above matter.*

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4. *The financial statements as at March 31, 2014 include investments of Rs. 1,214 lakhs (March 31, 2013: Rs. 595 lakhs) in its wholly owned subsidiary Allsectech Inc., USA and receivable balance (net) of Rs.84 lakhs (March 31, 2013: Rs.595 lakhs) from such subsidiary. The subsidiary's accumulated losses have substantially eroded its net worth as at March 31, 2014. The recovery of the value of such investment in the subsidiary is dependent upon the ability of the subsidiary to establish successful operations in the future and achieve sustained profitability. 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 and receivables. Our audit opinion on the financial statements for the year ended March 31, 2013 was also qualified in respect of the above matter.*

5. In our opinion and to the best of our information and according to the explanations given to us *except for the possible effect of the matter stated in paragraphs 3 and 4 above,* these quarterly financial results as well as the year to date results:

    i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
    ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2014 and net profit for the year ended March 31, 2014.

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2014 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.

7. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership Number: 053315
Place: Chennai
Date: May 23, 2014

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Allsec Technologies Limited
Regd. Office : 7-H, Century Plaza , 560/562 Anna Salai, Teynampet, Chennai - 600 018.
Corp. Office : 46-B Velachery Main Road, Velachery, Chennai - 600 042.

Part I : Statement of Audited Financial Results for the Quarter and Year ended March 31, 2014

(Rupees in Lakhs except EPS and shareholding d

Sl. No.	Particulars	Standalone Results					Consolidated Results				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13
		Audited [Refer Note 8]	Un-Audited	Audited [Refer Note 8]	Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Audited
	Income from operations										
1	Net Sales / Income from Operations	2,494	2,696	2,471	10,674	10,748	4,111	4,909	7,118	19,962	32,(
	Total income from operations	**2,494**	**2,696**	**2,471**	**10,674**	**10,748**	**4,111**	**4,909**	**7,118**	**19,962**	**32,(**
2	**Expenses**										
	a Connectivity Cost	146	163	154	618	682	139	183	207	664	[illegible]
	b Employee benefits expense	1,287	1,480	1,382	5,804	6,157	3,230	3,812	5,092	16,339	21,1
	c Bad debts written off / Provision for loans & investments in subsidiary	274	-	-	275	426	222	-	-	223	[illegible]
	d Impairment loss / loss on fixed assets written off [Refer Note 7]	64	3	-	76	-	1,020	3	-	1,032	
	e Other expenses	630	661	699	2,809	3,097	1,209	1,383	1,785	5,427	5,8
	f Depreciation and Amortisation	177	168	230	748	1,014	289	315	349	1,242	1,4
	Total expenses	**2,578**	**2,475**	**2,465**	**10,330**	**11,376**	**6,109**	**5,696**	**7,433**	**24,927**	**29,8**
3	**Profit / (Loss) from operations before other income and finance costs**	**(84)**	**221**	**6**	**344**	**(628)**	**(1,998)**	**(787)**	**(315)**	**(4,965)**	**2,1**
4	Other Income	(21)	69	71	276	351	45	73	83	271	[illegible]
5	**Profit / (Loss) from ordinary activities before finance costs**	**(105)**	**290**	**77**	**620**	**(277)**	**(1,953)**	**(714)**	**(232)**	**(4,694)**	**2,5**
6	Finance costs	37	14	12	77	56	72	268	168	669	[illegible]
7	**Profit / (Loss) from ordinary activities before tax**	**(142)**	**276**	**65**	**543**	**(333)**	**(2,025)**	**(982)**	**(400)**	**(5,363)**	**2,0**
8	Tax expense	-	-	-	-	-	(917)	72	(149)	(1,649)	1,1
9	**Net Profit / (Loss) for the period**	**(142)**	**276**	**65**	**543**	**(333)**	**(1,108)**	**(1,054)**	**(251)**	**(3,714)**	**[illegible]**
10	Minority interest	-	-	-	-	-	(196)	(414)	(105)	(1,211)	[illegible]
11	**Net Profit / (Loss) after taxes and minority interest**	**(142)**	**276**	**65**	**543**	**(333)**	**(912)**	**(640)**	**(146)**	**(2,503)**	**[illegible]**
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	1,5
13	Reserves (at year end excluding Revaluation Reserve)				10,497	9,954				6,430	8,0
14	Earning per Share (Rs.)										
	a) Basic	(0.93)	1.81	0.43	3.57	(2.19)	(5.98)	(4.20)	(0.96)	(16.43)	[illegible]
	b) Diluted	(0.93)	1.76	0.41	3.47	(2.19)	(5.98)	(4.20)	(0.96)	(16.43)	[illegible]
		[Not Annualised]	[Not Annualised]	[Not Annualised]			[Not Annualised]	[Not Annualised]	[Not Annualised]		

Part II : Select Information for the Quarter and Year ended March 31, 2014

A	**Particulars Of Shareholding**										
1	Public Shareholding										
	Number of shares	9,838,945	9,840,945	9,857,805	9,838,945	9,857,805	9,838,945	9,840,945	9,857,805	9,838,945	9,857,8
	Percentage of shareholding	64.57%	64.58%	64.69%	64.57%	64.69%	64.57%	64.58%	64.69%	64.57%	64.6
2	Promoters and Promoter Group Shareholding										
	a Pledged / Encumbered										
	Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Percentage of shares										
	(as a % of the total shareholding of the Promoter and Promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	(as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	b Non - encumbered										
	Number of shares	5,399,381	5,397,381	5,380,521	5,399,381	5,380,521	5,399,381	5,397,381	5,380,521	5,399,381	5,380,5
	Percentage of shares										
	(as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.0
	(as a % of the total share capital of the Company)	35.43%	35.42%	35.31%	35.43%	35.31%	35.43%	35.42%	35.31%	35.43%	35.3

	Particulars	Quarter ended March 31, 2014
B	**Investor Complaints**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Notes:

1 Audited Statement of Assets and Liabilities as at March 31, 2014

Sl. No.	Particulars	Standalone		Consolidated	
		As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-14	As at 31-Mar-13
		Audited	Audited	Audited	Audited
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a) Share capital	1,524	1,524	1,524	1,524
	(b) Reserves and surplus	10,497	9,954	6,430	8,620
	Sub-total - Shareholders' funds	12,021	11,478	7,954	10,144
2	**Minority interest**	-	-	-	1,024
3	**Non-current liabilities**				
	(a) Long-term borrowings	88	89	260	325
	(b) Long-term provisions	43	46	43	46
	Sub-total - Non-current liabilities	131	135	303	371
4	**Current liabilities**				
	(a) Short-term borrowings	-	-	1,191	-
	(b) Trade payables	708	704	1,050	1,208
	(c) Other current liabilities	268	272	1,119	3,116
	(d) Short-term provisions	255	264	255	264
	Sub-total - Current liabilities	1,231	1,240	3,615	4,588
	TOTAL - EQUITY AND LIABILITIES	13,383	12,853	11,872	16,127
B	ASSETS				
1	**Non-current assets**				
	(a) Fixed assets	1,769	2,384	2,952	3,988
	(b) Goodwill on consolidation	-	-	987	987
	(c) Non-current investments	5,107	2,644	-	-
	(d) Long-term loans and advances	2,204	3,557	655	2,063
	(e) Deferred Tax Asset	-	-	1,666	-
	(f) Other non-current assets	71	-	71	26
	Sub-total - Non-current assets	9,151	8,585	6,331	7,064
2	**Current assets**				
	(a) Current investments	1,072	888	1,072	888
	(b) Trade receivables	2,344	2,358	3,266	5,582
	(c) Cash and cash equivalents	602	811	889	1,631
	(d) Short-term loans and advances	159	176	258	866
	(e) Other current assets	55	35	56	96
	Sub-total - Current assets	4,232	4,268	5,541	9,063
	TOTAL - ASSETS	13,383	12,853	11,872	16,127

ALLSEC TECHNOLOGIES LIMITED * Chennai

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Audited Consolidated Segment Information for the Quarter and Year ended March 31, 2014

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13
1	**Segment revenue**					
	ITES-BPO	2,721	2,921	3,282	11,914	13,456
	Mortgage services	1,390	1,988	3,836	8,048	18,551
	Total revenue	**4,111**	**4,909**	**7,118**	**19,962**	**32,007**
2	**Segment profit after tax**					
	ITES-BPO	(36)	133	(18)	285	(1,241)
	Mortgage Services	(1,072)	(1,187)	(233)	(3,999)	2,125
	Total	**(1,108)**	**(1,054)**	**(251)**	**(3,714)**	**884**
3	Capital Employed					
	ITES-BPO	8,358	8,395	8,184	8,358	8,184
	Mortgage Services	(144)	819	3,309	(144)	3,309
	Total Capital Employed	**8,214**	**9,214**	**11,493**	**8,214**	**11,493**

1 The above audited financial results of the Company (standalone) have been reviewed by the Audit Committee at their meeting held on May 23, 2014 and approved by the Board of Directors at their meeting held on May 23, 2014. Full details of the standalone results for the year ended March 31, 2014 available on the company's website under investors section (www.allsectech.com) and also reported to stock exchanges -- NSE & BSE

2 The consolidated results for the year ended March 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 On February 6, 2014, the Company has made additional investment amounting to USD 500,000 in Retreat Capital Management Inc., USA, a subsidiary of the Company, thereby increasing the total investment to 77% as at the year end

5 The statutory auditors have in their audit report for the year ended March 31, 2014 observed that "*The financial statements as at March 31, 2014 include investments in equity and preference share capital in its wholly owned subsidiary Allsectech Manila Inc., Philippines aggregating Rs. 2,586 La (March 31, 2013: Rs. 1,020 lakhs as investments and Rs 1,443 as advance towards share capital). The subsidiary's accumulated losses have fully eroded its net worth as at March 31, 2014. Management has undertaken several initiatives to improve its income from operations and establish profita operations. The recovery of the value of such investment in the subsidiary is dependent upon the ability of the subsidiary to establish successful operations in the future and achieve sustained profitability. In view of the operational and financial position of the subsidiary as noted above, we are una to comment on the adjustments, if any, that may be required to be made to the carrying value of such investments and advances. Our audit opinion on the financial statements for the year ended March 31, 2013 was also qualified in respect of the above matter*".

Management has undertaken several initiatives to improve its income from operations and establish profitable operations. Management has also entered into arrangements such as subleasing of excess capacity to earn alternative sources of income. Based on these action plans, the management is confi that the subsidiary will be able to earn sufficient profit which will enable the parent Company to recoup the value of investments in the subsidiary. Based on the above, management is of the view that no provision is required to be made to the carrying value of such investments

6 The statutory auditors have in their audit report for the year ended March 31, 2014 observed that "*The financial statements as at March 31, 2014 include investments of Rs. 1,214 lakhs (March 31, 2013: Rs. 595 lakhs) in its wholly owned subsidiary Allsectech Inc., USA and receivable balance (ne Rs.84 lakhs (March 31, 2013: Rs.595 lakhs) from such subsidiary. The subsidiary's accumulated losses have substantially eroded its net worth as at March 31, 2014. The recovery of the value of such investment in the subsidiary is dependent upon the ability of the subsidiary to establish succes operations in the future and achieve sustained profitability. 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 and receivables. Our a opinion on the financial statements for the year ended March 31, 2013 was also qualified in respect of the above matter*".

Management has undertaken several initiatives to restructure the operations of its subsidiary and establish profitable operations. The management believes that the synergy of the consolidated operations of parent and subsidiary increases the operational efficiency of the group. Considering tha 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 and c receivables.

7 The cost incurred in developing MSP is being written off 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.

8 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2014 and the unaudited published year-to-date figures up to December 31, 2013, being the date of the end of the third quarter of the financial year which were subject limited review.

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

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CHARTERED ACCOUNTANTS
CHENNAI

ALLSEC TECHNOLOGIES LIMITED
Chennai

For and on behalf of the Board of Dire

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Place: Chennai
Date: May 23, 2014