ACCEL FRONTLINE
GLOBAL IT SERVICES

AFL/SS/SE/33/2017-2018
26th May, 2017

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400051

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001

Dear Sir,

Sub: Outcome of Board Meeting

We are pleased to inform you that the Board of Directors at its meeting held on Friday, 26th May, 2017 have taken the following decisions.

- Considered and Approved Standalone and Consolidated Audited Financial Results along with Statement of Assets & Liabilities for the period ended 31st March, 2017 on the recommendation of the Audit Committee.
- Considered and Approved the Audit Report.
- Considered the Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2017. (Annexure I in terms of Regulation 33/52 of the SEBI Listing and other Disclosure Requirements, Regulations, 2015, pursuant to the Amendment Regulations, 2016).

The meeting commenced at 04:00 P.M. and concluded at 08:45 P.M.

Please arrange to take the same on record.

Thanking you

Yours faithfully,

For Accel Frontline Limited

ACCEL FRONTLINE LIMITED CHENNAI 600 029

S. Sundaramurthy
Company Secretary

Encl : as above

Accel Frontline Limited
Regd Office: 75, Nelson Manickam Road, Aminjikarai, Chennai 600 029.
CIN No: L30006TN1995PLC031736

Statement of Financial results for the Quarter and Year ended 31 March 2017

		(₹ in Lakhs)					(₹ in Lakhs)				
		Consolidated					Standalone				
Sl No	Particulars	Quarter ended 31 March 2017*	Quarter ended 31 December 2016	Quarter ended 31 March 2016*	Year ended 31 March 2017	Year ended 31 March 2016	Quarter ended 31 March 2017*	Quarter ended 31 December 2016	Quarter ended 31 March 2016*	Year ended 31 March 2017	Year ended 31 March 2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations (Net)	16,971	15,696	17,299	58,873	51,105	11,173	8,563	9,462	36,505	32,249
2	Other income	93	36	136	207	188	67	28	46	152	98
3	**Total revenue (1+2)**	**17,064**	**15,732**	**17,435**	**59,080**	**51,293**	**11,240**	**8,591**	**9,508**	**36,657**	**32,347**
4	**Expenses**										
	(a) Cost of raw material and components consumed	29	41	83	189	717	29	41	83	189	717
	(b) Purchases of stock-in-trade and stores and spares	7,357	7,960	6,734	25,297	19,870	5,170	4,090	3,225	16,882	12,403
	(c) Changes in inventories of Stock-in-trade and stores and spares	1,287	(1,279)	1,079	(304)	485	1,182	(1,174)	1,073	(105)	451
	(d) Employee benefits expense	4,137	4,363	3,750	16,634	13,866	2,147	2,527	2,173	9,234	8,589
	(e) Finance costs	678	669	551	2,501	2,083	645	621	509	2,353	1,957
	(f) Depreciation and amortization expense and impairment loss	512	351	366	1,464	1,262	311	194	250	890	846
	(g) Other expenses	4,088	3,427	3,862	13,973	14,859	2,714	2,166	2,127	9,296	11,079
	Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)	**18,088**	**15,532**	**16,425**	**59,954**	**53,140**	**12,198**	**9,065**	**9,420**	**38,739**	**36,042**
5	**(Loss)/profit before tax, prior period and exceptional items (3-4)**	**(1,024)**	**200**	**1,010**	**(874)**	**(1,847)**	**(958)**	**(474)**	**88**	**(2,082)**	**(3,695)**
6	Prior period items	-	-	7,835	-	8,665	-	-	7,241	-	8,071
7	**(Loss)/profit before tax and exceptional items (5-6)**	**(1,024)**	**200**	**(6,825)**	**(874)**	**(10,512)**	**(958)**	**(474)**	**(7,153)**	**(2,082)**	**(11,766)**
8	Exceptional items	134	-	2,429	134	2,800	-	-	1,691	-	1,932
9	**(Loss)/profit before tax (7-8)**	**(1,158)**	**200**	**(9,254)**	**(1,008)**	**(13,312)**	**(958)**	**(474)**	**(8,844)**	**(2,082)**	**(13,698)**
10	Tax expense										
	Current tax	6	120	17	335	214	-	-	-		-
	Deferred tax	-	(14)	156	42	156	-		61	-	61
	Total Tax Expenses	6	106	173	377	370	-	-	61	-	61
11	**(Loss)/Profit after tax (9-10)**	**(1,164)**	**94**	**(9,427)**	**(1,385)**	**(13,682)**	**(958)**	**(474)**	**(8,905)**	**(2,082)**	**(13,759)**
12	Minority interest	(236)	(293)	(376)	(1,009)	(822)	-	-	-	-	
13	**Loss after tax and minority interest for the year (11-12)**	**(1,400)**	**(199)**	**(9,803)**	**(2,394)**	**(14,504)**	**(958)**	**(474)**	**(8,905)**	**(2,082)**	**(13,759)**
14	**Earnings per equity share (Nominal value ₹ 10 per share)**										
	(a) Basic (In ₹)	(4.71)	(0.67)	(32.94)	(8.04)	(48.73)	(3.22)	(1.59)	(29.92)	(7.00)	(46.23)
	(b) Diluted (In ₹)	(4.71)	(0.67)	(32.94)	(8.04)	(48.73)	(3.22)	(1.59)	(29.92)	(7.00)	(46.23)

* *Refer note 3*

Notes:

1. The above audited financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 26 May 2017.
2. The consolidated financial results comprises the financial results of the Company and its subsidiaries.
3. The figures for the quarter ended 31 March 2017 and 31 March 2016 represents the difference between the audited figures in respect of full financial years and the published figures for the nine months ended 31 December 2016 and 31 December 2015 respectively.
4. The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.
5. The management has completed during the year ended 31 March 2017, the process initiated in the previous year for evaluating the existence and recoverability of receivables and the amounts which are identified as doubtful/not recoverable are properly dealt in the books of account. Also, the management has completed the physical verification of fixed assets in relation to asset blocks – Computers, Plant and Machinery, Intangibles and Vehicles and the discrepancies identified are properly dealt in the books of account for the year ended 31 March 2017.
6. The Company and its subsidiaries on a consolidated basis has incurred a loss after tax and minority interest of ₹ 2,394 lakhs for the year ended 31 March 2017 and the Net worth has been fully eroded as of 31 March 2017. The company on a standalone basis has incurred a loss after tax of ₹ 2,082 lakhs for the current year and the Net worth has been fully eroded as of 31 March 2017. However, the Company has made a cash profit of ₹ 650 lakhs during the current year ended 31 March 2017. The Company has adequate working capital facilities with various banks, which would enable the company to meet its obligations and operate over the next 12 months and accordingly the financial results for the year ended 31 March 2017 have been prepared on a going concern basis.
7. Consequent to a change in the software for recording of inventory transactions pertaining to the maintenance divisions, the Company has valued its inventory pertaining to these divisions on the basis of a method that approximates weighted average cost. The Company is in the process of customizing its software to meet the requirements of Accounting Standard 2 – Valuation of Inventories. This is a subject matter of qualification in the audit/review report for the year ended 31 March 2015, 31 March 2016, 31 March 2017 and quarter ended 30 June 2016, 30 September 2016 and 31 December 2016.
8. The Company has invested an amount of ₹ 790 lakhs in subsidiary named Accel IT Resources Limited (AITRL) and advanced loan (including interest) amounting to ₹ 422 lakhs. AITRL has reported losses during the current year, its net worth is fully eroded as at 31 March 2017 and its current liabilities exceeds current assets by ₹ 394 lakhs. However, the management of the subsidiary has acquired new customers and is also evaluating various opportunities which includes curtailment of expenses, restructuring of operations in order to optimise revenue generation by investing in technology, increasing customer base. The management of the subsidiary is confident that these plans would enable the subsidiary to improve its financial position thereby enabling the recovery of investments made, loans given and accordingly no provision needs to be made for these investments and loans given in the standalone financial results. Consequently, the Holding Company's management is confident of recovering the goodwill amounting to ₹ 414 lakhs recognised relating to this investment in the consolidated financial statements.
9. The company and its promoters have entered into a settlement and release agreement dated 15th March 2017 as already disclosed to the stock exchanges on 16th March 2017.
10. In a subsidiary named, Accel Japan Kabushiki Kaishai (AJKK), certain revenue and advances were recorded in the books of account without adequate supporting documents, details and other relevant information. The impact of revenue and advances amounting to ₹ 134 lakhs, identified thus far has been provided for/written off and disclosed as exceptional items, which in the opinion of the management, is adequate as on date. This is a subject matter of qualification in Accel Japan Kabushiki Kaishai (AJKK)'s audit report for the year ended 31 March 2017.
11. The Company has executed a share purchase agreement with Stashub Ltd. on May 26, 2017, agreeing to sell the entire 51% (fifty one percent) stake of the company in Accel Systems & Technologies Pte. Ltd, Singapore, a subsidiary company, for a total consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only).

Place : Chennai
Date : 26th May 2017

For Accel Frontline Limited

MFMehta

Malcolm F. Mehta
Chairman & Executive Director

ACCEL FRONTLINE LIMITED
CHENNAI 600 029

Accel Frontline Limited
Regd Office : 75, Nelson Manickam Road, Aminjikarai , Chennai 600 029
CIN No: L30006TN1995PLC031736

Segment-wise Revenue, Result, Assets and Liabilities

Particulars	Consolidated (₹ in Lakhs)					Standalone (₹ in Lakhs)				
	Quarter ended 31 March 2017*	Quarter ended 31 December 2016	Quarter ended 31 March 2016*	Year ended 31 March 2017	Year ended 31 March 2016	Quarter ended 31 March 2017*	Quarter ended 31 December 2016	Quarter ended 31 March 2016*	Year ended 31 March 2017	Year ended 31 March 2016
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue										
Systems Integration	10,088	8,739	8,113	31,883	26,177	6,174	3,665	3,786	17,101	13,242
Infrastructure Management Services	4,329	4,288	6,607	16,320	14,502	3,559	3,454	4,177	13,453	12,072
Software Services	2,072	2,189	2,160	8,786	8,170	990	1,007	1,123	4,231	4,942
Warranty Management Services	450	437	376	1,720	1,993	450	437	376	1,720	1,993
Training	32	43	43	164	263	-	-	-		-
Revenue from Operations (Net)	**16,971**	**15,696**	**17,299**	**58,873**	**51,105**	**11,173**	**8,563**	**9,462**	**36,505**	**32,249**
2. Segment result										
Systems Integration	228	782	720	1,823	858	(32)	51	(391)	158	(551)
Infrastructure Management Services	252	625	809	1,884	1,384	138	509	748	1,530	547
Software Services	(518)	(105)	(128)	(696)	(282)	(203)	(75)	21	(301)	22
Warranty Management Services	(143)	(100)	(51)	(456)	(344)	(143)	(100)	(51)	(456)	(344)
Training	(126)	(46)	(43)	(275)	(61)	-	-	-		-
Total	**(306)**	**1,157**	**1,307**	**2,280**	**1,555**	**(240)**	**385**	**327**	931	**(326)**
Less : (i)Interest expenses	678	669	551	2,501	2,083	645	621	509	2,353	1,957
Less : (ii)Other unallocable expenses	267	324	10,146	994	12,972	140	266	8,708	812	11,513
Add : Other income	93	36	136	207	188	67	28	46	152	98
Total (Loss)/Profit Before Tax	**(1,158)**	**200**	**(9,254)**	**(1,008)**	**(13,312)**	**(958)**	**(474)**	**(8,844)**	**(2,082)**	**(13,698)**
3. Segment Assets										
Systems Integration	18,882	18,559	14,846	18,882	14,846	7,895	7,896	6,437	7,895	6,437
Infrastructure Management Services	10,040	11,025	9,402	10,040	9,402	8,930	9,749	8,472	8,930	8,472
Software Services	4,112	4,268	4,414	4,112	4,414	3,499	3,359	2,916	3,499	2,916
Warranty Management Services	1,145	1,336	1,664	1,145	1,664	1,145	1,336	1,664	1,145	1,664
Training	127	188	200	127	200	-	-	-		-
Unallocated	5,659	5,378	4,807	5,659	4,807	7,370	6,848	6,290	7,370	6,290
Total Assets	**39,965**	**40,754**	**35,333**	**39,965**	**35,333**	**28,839**	**29,188**	**25,779**	**28,839**	**25,779**
3. Segment Liabilities										
Systems Integration	14,234	13,171	10,402	14,234	10,402	8,814	7,799	6,210	8,814	6,210
Infrastructure Management Services	10,013	10,155	9,404	10,013	9,404	8,798	8,736	8,213	8,798	8,213
Software Services	4,929	4,797	4,151	4,929	4,151	2,911	2,702	2,204	2,911	2,204
Warranty Management Services	1,351	1,144	1,538	1,351	1,538	1,351	1,144	1,538	1,351	1,538
Training	85	97	313	85	313	-	-	-		-
Unallocated	11,401	12,287	9,970	11,401	9,970	11,402	12,287	9,970	11,402	9,970
Total Liabilities	**42,013**	**41,651**	**35,778**	**42,013**	**35,778**	**33,276**	**32,668**	**28,135**	**33,276**	**28,135**

* Refer note 3 of financial results

ACCEL FRONTLINE LIMITED CHENNAI 600 029

Accel Frontline Limited
CIN No: L30006TN1995PLCO31736

Statement of Assets and Liabilities

₹ In Lakhs

Particulars	Consolidated		Standalone	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2,976	2,976	2,976	2,976
Reserves and surplus	(7,713)	(5,246)	(7,413)	(5,332)
	(4,737)	(2,270)	(4,437)	(2,356)
Minority Interest	2,689	1,825	-	-
Non-current liabilities				
Long-term borrowings	6,155	6,630	5,342	5,436
Deferred tax liability, net	129	95	-	-
Long-term provisions	905	943	689	798
	7,189	7,668	6,031	6,234
Current liabilities				
Short-term borrowings	18,503	13,829	18,406	13,823
Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to Others	6,831	6,452	2,822	3,300
Other current liabilities	9,077	7,567	5,714	4,590
Short-term provisions	413	262	303	188
	34,824	28,110	27,245	21,901
Total	**39,965**	**35,333**	**28,839**	**25,779**
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	1,400	1,652	556	863
Intangible assets	2,520	2,978	1,426	1,884
Non-current investments	-	-	2,227	2,227
Deferred tax asset	-	-	-	-
Long-term loans and advances	5,623	4,773	5,468	4,628
Other non current assets	739	735	739	734
	10,282	10,138	10,416	10,336
Current assets				
Inventories	3,821	3,647	3,821	3,646
Trade receivables	16,643	15,269	11,627	8,818
Cash and bank balances	4,928	3,576	245	954
Short-term loans and advances	3,004	2,196	1,956	1,517
Other current assets	1,287	508	774	508
	29,683	25,195	18,423	15,443
Total	**39,965**	**35,333**	**28,839**	**25,779**

ACCEL FRONTLINE LIMITED CHENNAI 600 029

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Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
7th Floor, Prestige Polygon
471, Anna Salai, Teynampet
Chennai 600018
India

T +91 44 4294 0000
F +91 44 4294 0044

Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Accel Frontline Limited

1. We have audited the consolidated financial results of Accel Frontline Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2017, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 3 to the consolidated financial results regarding the figures for the quarter ended 31 March 2017 as reported in these consolidated financial results, which are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2017 and our review of consolidated financial results for the nine months period ended 31 December 2016.

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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 qualified opinion.

3. As disclosed in note 7 to the financial results, the Holding Company's inventory at maintenance divisions is carried at ₹ 3,594 lakhs as at 31 March 2017 (31 March 2016: ₹ 3,823 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2017, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2016 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, and 31 December 2016 were also qualified in this regard.

4. We draw attention to the following qualification to the audit opinion on the financial results of Accel Japan KK, Japan, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 27 April 2017 reproduced by us as under:

   As disclosed in note 10 of the financial results, the management had during the preparation of accounts observed that certain revenue and advances were recorded in the books of account without adequate supporting documents, details and other relevant information. The impact of revenue and advances, identified thus far has been disclosed as exceptional items, which in the opinion of the management, is adequate as on date. In the absence of adequate supporting information we are unable to comment on the appropriateness of the same.

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results and on other financial information of the subsidiaries, the consolidated financial results:

   (i) include the financial results for the year ended 31 March 2017, of the following entities:
      a) Accel Systems & Technologies Pte, Limited, Singapore
      b) Accel Frontline JLT, Dubai
      c) Accel Japan Kabushiki Kaisha, Japan
      d) Network Programs (Japan) Inc., USA
      e) Network Programs (USA) Inc., USA
      f) Accel North America., USA
      g) Accel IT Resources Limited, India
      h) Accel Technologies Ltd, UK

   a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016

CHENNAI

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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dated 5 July 2016 in this regard except for the possible effects of the matters described in paragraph 3, 4 and

b) give a true and fair view of the consolidated net loss and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31 March 2017 except for the possible effects of the matters described in paragraph 3, 4.

6. We draw attention to note 6 to the financial results which indicates that the Group has incurred loss after tax of ₹ 2,394 lakhs during the year ended 31 March 2017 and, as of that date, the Group's negative reserves amounted to ₹ 7,713 lakhs resulting in complete erosion of the net worth of the Group. Further, as of that date, the Group's current liabilities exceeded its current assets by ₹ 5,141 lakhs. These conditions, along with matters as set forth in note 6 indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

7. We draw attention to Note 8 to the financial results regarding the carrying value of the goodwill amounting to ₹ 414 lakhs with respect to investment in a subsidiary named Accel IT Resources Limited as at 31 March 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 31 March 2017, however, based on the subsidiary's future business plans, which have been developed using certain management assumptions and estimates, no impairment has been recognised in the carrying value of goodwill in the accompanying consolidated financial results. Our opinion is not modified in respect of this matter.

8. We did not audit the financial statements/ financial information of 8 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 14,815 lakhs and net assets of ₹ 3,498 lakhs as at 31 March 2017, and total revenues of ₹ 24,359 lakhs for the year ended on that date, as considered in the consolidated financial results. These financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of such other auditors.

Further, of these subsidiaries, 1 subsidiary, is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of such subsidiary, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No. 206931

Place: Chennai
Date: 26 May 2017

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Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
7th Floor, Prestige Polygon
471, Anna Salai, Teynampet
Chennai 600018
India

T +91 44 4294 0000
F +91 44 4294 0044

Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Accel Frontline Limited

1. We have audited the standalone financial results of Accel Frontline Limited ('the Company') for the year ended 31 March 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 3 to the standalone financial results regarding the figures for the quarter ended 31 March 2017 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2017 and our review of standalone financial results for the nine months period ended 31 December 2016.

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

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 misstatement. 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 qualified opinion.

3. As disclosed in note 7 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,594 lakhs as at 31 March 2017 (31 March 2016: ₹ 3,823 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2017, changes in inventories of stock-in-trade and spares and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2016 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, and 31 December 2016 were also qualified in this regard.

4. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the possible effects of the matter described in paragraph 3; and

   (ii) give a true and fair view of the standalone net loss and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31 March 2017 except for the possible effects of the matter described in paragraph 3.

5. We draw attention to Note 8 to the standalone financial results regarding the Company's long-term investments in its subsidiary and long-term loans and advances (including interest receivable) due from such subsidiary amounting to ₹ 790 lakhs and ₹ 422 lakhs respectively as at 31 March 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 31 March 2017. However, based on the subsidiary's future business plans, which have been developed using certain management assumptions and estimates, the decline in value of the aforesaid investment is considered as temporary in nature and the aforesaid long-term loans and advances (including interest receivable) are considered as fully recoverable. Accordingly, no provision of aforesaid amounts have been recognised in the accompanying standalone financial results. Our opinion is not modified in respect of this matter.

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6. We draw attention to note 6 to the financial results which indicates that the Company has incurred loss after tax of ₹ 2,082 lakhs during the year ended 31 March 2017 and, as of that date, the Company's negative reserves amounted to ₹ 7,413 lakhs resulting in complete erosion of the net worth of the Company. Further, as of that date, the Company's current liabilities exceeded its current assets by ₹ 8,822 lakhs. These conditions, along with matters as set forth in note 6 indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP
CHENNAI
CHARTERED ACCOUNTANTS

per **Sumesh E S**
Partner
Membership No. 206931

Place: Chennai
Date: 26 May 2017

ACCEL FRONTLINE LIMITED

Annexure I

Statement on Impact of Audit Qualifications

(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-Consolidated for Financial Year March 31, 2017.

(Rs. In lacs except earnings per share)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Audited Figures (audited figures after adjusting for qualifications)**
	1.	**Turnover / Total Income**	59,080	59,080
	2.	**Total Expenditure**	60,465	60,465
	3.	**Net Loss after tax**	(1,385)	(1,385)
	4.	**Earnings Per Share**	(8.04)	(8.04)
	5.	**Total Assets**	39,965	39,965
	6.	**Total Liabilities**	42,013	42,013
	7.	**Net Worth (inclusive of minority interest)**	(2,048)	(2,048)
	8.	**Any other financial item(s) (as felt appropriate by the management)**	-	-
II.	**Audit Qualification**			
		(a) Details of Audit Qualification:	**(b) Type of Audit Qualification:**	**(c) Frequency of Qualification**
	(i)	As disclosed in note 5 to the financial results, the Holding Company's inventory at maintenance divisions is carried at INR 3,462 lakhs as at 31 March 2017 (31 March 2016: INR 3,823 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2017, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial statements. Our audit opinion on the financial statements for the previous year ended 31 March 2016 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, and 31 December 2016 were also qualified in this regard.	Qualified Opinion	Continuing from the year ended 31 March 2015

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	(ii)	As disclosed in note 10 to the financial results, the management had during the preparation of accounts of subsidiary named, Accel Japan Kabushaki Kaishai, observed that certain revenue and advances were recorded in the books of account without adequate supporting documents, details and other relevant information. The impact of revenue and advances amounting to INR 134 lakhs, identified thus far has been provided for/written off and disclosed as exceptional items, which in the opinion of the management, is adequate as on date. In the absence of adequate supporting information we are unable to comment on the appropriateness of the same.	Qualified Opinion	First time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:**	Not Applicable	
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**		
		(i) Management's estimation on the impact of audit qualification:	Not Applicable	
		(ii) If management is unable to estimate the impact, reasons for the same:	Qualification (i) The existing software for inventory management is presently capable of computing weighted average cost of consumption for the current year transactions. However, the software has certain limitations and has to be customized to address the values pertaining to previous years and that customization, and other reconciliations relating to this are under progress as at the reporting date and hence the amount cannot be estimated. Qualification (ii) The subsidiary's management has initiated the process to evaluate these cases of revenue and advances and the evaluation is under progress as at reporting date. However, the subsidiary's management has provided/written off the amount identified thus far, which in the opinion of the management is adequate.	

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		(iii) Auditor's Comments on (i) or (ii) above:	Qualification (i) As described in note above, the management is in the process of completing certain procedures to quantify the effect of this modification made in the consolidated audit opinion. Qualification (ii) As described in note above, we understand from the reports of the subsidiary auditor and the audited financial statements of that subsidiary, that the subsidiary's management is evaluating this matter to quantify the effect of this modification in the consolidated audit opinion.

III	**Signed by:** For **Walker Chandiok & Co LLP** Chartered Accountants Firm's Registration No.: 001076N/N500013 **Sumesh E S** Partner Membership No. 206931 Place: Chennai Date: 26 May 2017	For and on behalf of the Board of Directors of **Accel Frontline Limited** **Malcolm F Mehta** **Chairman and Executive Director** **R. Ramaraj** Chairman of Audit Committee **Neelakantan R** Chief Financial Officer Place: Chennai Date: 26 May 2017

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Annexure I

Statement on Impact of Audit Qualifications

(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-Standalone for Financial Year March 31, 2017.

(Rs. In lacs except earnings per share)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Audited Figures (audited figures after adjusting for qualifications)**
	1.	**Turnover / Total Income**	36,657	36,657
	2.	**Total Expenditure**	38,739	38,739
	3.	**Net Loss after tax**	(2,082)	(2,082)
	4.	**Earnings Per Share**	(7.00)	(7.00)
	5.	**Total Assets**	28,839	28,839
	6.	**Total Liabilities**	33,276	33,276
	7.	**Net Worth**	(4,437)	(4,437)
	8.	**Any other financial item(s) (as felt appropriate by the management)**	-	-
II.	**Audit Qualification**			
		(a) Details of Audit Qualification:	**(b) Type of Audit Qualification:**	**(c) Frequency of Qualification**
	(i)	As disclosed in note 5 to the financial results, the Company's inventory at maintenance divisions is carried at INR 3,462 lakhs as at 31 March 2017 (31 March 2016: INR 3,823 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2017, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial statements. Our audit opinion on the financial statements for the previous year ended 31 March 2016 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, and 31 December 2016 were also qualified in this regard.	Qualified Opinion	Continuing from the year ended 31 March 2015

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	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:**	Not applicable	
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**		
		(i) Management's estimation on the impact of audit qualification:	Not Applicable	
		(ii) If management is unable to estimate the impact, reasons for the same:	The existing software for inventory management is presently capable of computing weighted average cost of consumption for the current year transactions. However, the software has certain limitations and has to be customized to address the values pertaining to previous years and that customization, and other reconciliations relating to this are under progress as at the reporting date and hence the amount cannot be estimated.	
		(iii) Auditor's Comments on (i) or (ii) above:	As described in note above, the management is in the process of completing certain procedures to quantify the effect of modifications made in the audit opinion.	

III **Signed by:**

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No. 206931

Place: Chennai
Date: 26 May 2017

For and on behalf of the Board of Directors of
Accel Frontline Limited

Malcolm F. Mehta
Chairman & Executive Director

R. Ramaraj
Chairman of Audit Committee

Neelakantan R
Chief Financial Officer

Place: Chennai
Date: 26 May 2017

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