

**AFL/SS/SE/73/2017-2018**  
**06<sup>th</sup> February, 2018**

The National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra East  
Mumbai 400 051

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

Dear Sir,

**Sub: Unaudited Financial Results for the quarter and year to date ended 31<sup>st</sup> December, 2017 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors at their meeting held on 06<sup>th</sup> February, 2018 have taken on record the following decisions:

- Considered and Approved Standalone Unaudited Financial Results for the quarter and year to date ended 31<sup>st</sup> December, 2017 on the recommendation of the Audit Committee.
- A Copy of the Limited Review Report from the Auditors for the period ended 31<sup>st</sup> December, 2017.

The meeting commenced at 10:15 AM and concluded at 05:15 P.M.

Please arrange to take the same on record.

Thanking you

Yours faithfully,

**For Accel Frontline Limited**



**S.Sundaramurthy**  
**Company Secretary**

Encl : as above

**Accel Frontline Limited**

Regd Office : Accel Frontline Limited, First Floor, Dowlath Towers New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010.  
CIN No: L30006TN1995PLCO31736

**Statement of unaudited results for the quarter and nine months ended 31 December 2017**

₹ In Lakhs

S.No	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		31 December 2017	30 September 2017	31 December 2016	31 December 2017	31 December 2016	31 March 2017 Refer note 2
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Revenue from operations	7,768	8,733	8,588	30,844	25,371	36,505
2	Other income	186	179	32	391	97	152
3	<b>Total revenue (1+2)</b>	<b>7,954</b>	<b>8,912</b>	<b>8,620</b>	<b>31,235</b>	<b>25,468</b>	<b>36,657</b>
4	<b>Expenses</b>						
	(a) Cost of raw materials and components consumed	21	269	41	519	160	189
	(b) Purchases of stock-in-trade and stores and spares	2,913	3,132	4,690	14,871	11,712	16,882
	(c) Changes in inventories of Stock-in-trade and stores and spares	36	271	(1,174)	251	(1,287)	(105)
	(d) Excise duty recovered on sales	-	56	25	118	39	-
	(e) Employee benefits expense	2,278	2,491	2,530	7,085	7,072	9,234
	(f) Finance costs	367	445	621	1,334	1,708	2,353
	(g) Depreciation and amortization expense	170	160	194	485	579	890
	(h) Other expenses	2,397	2,297	2,166	6,999	6,582	9,296
5	<b>Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	<b>8,182</b>	<b>9,121</b>	<b>9,093</b>	<b>31,662</b>	<b>26,565</b>	<b>38,739</b>
6	<b>Profit/ (loss) before tax and exceptional item (4-5)</b>	<b>(228)</b>	<b>(209)</b>	<b>(473)</b>	<b>(427)</b>	<b>(1,097)</b>	<b>(2,082)</b>
7	Exceptional item (also, refer note 7 below)	-	8,227	-	8,227	-	-
8	<b>Profit/ (loss) before tax (6+7)</b>	<b>(228)</b>	<b>8,018</b>	<b>(473)</b>	<b>7,800</b>	<b>(1,097)</b>	<b>(2,082)</b>
9	Tax expense:						
	a) Current tax	-	1,409	-	1,409	-	-
10	<b>Profit/ (loss) for the period (8-9)</b>	<b>(228)</b>	<b>6,609</b>	<b>(473)</b>	<b>6,391</b>	<b>(1,097)</b>	<b>(2,082)</b>
11	<b>Other comprehensive income</b>						
	i) Items that will not be reclassified to profit or loss						
	- Re-measurement gains (losses) on defined benefit plans	36	(9)	3	44	(15)	-
12	<b>Other comprehensive income for the period, net of tax</b>	<b>36</b>	<b>(9)</b>	<b>3</b>	<b>44</b>	<b>(15)</b>	<b>-</b>
13	<b>Total comprehensive income for the period (10+12)</b>	<b>(192)</b>	<b>6,600</b>	<b>(470)</b>	<b>6,435</b>	<b>(1,112)</b>	<b>(2,082)</b>
14	<b>Earnings per equity share (profit/ (loss) after tax)</b>						
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.77)	22.21	(1.59)	21.47	(3.69)	(7.00)
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.77)	22.21	(1.59)	21.47	(3.69)	(7.00)
	<b>Earnings per equity share (total comprehensive income)</b>						
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.65)	22.18	(1.58)	21.62	(3.74)	(7.00)
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.65)	22.18	(1.58)	21.62	(3.74)	(7.00)

**Notes**

- The above unaudited financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 06 February 2018.
- Results for the period and quarter ended 31 December 2017 are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning after 01 April 2017. Consequently, results for the corresponding quarter ended and period ended 31 December 2016, have been restated as per the requirements of the said notification to comply with Ind AS to make them comparable. The results for the year ended 31 March 2017 disclosed in the above results and the financial position as at 31 March 2017 are reported under previous GAAP and not restated to Ind AS. Accordingly, to this extent the above results are not comparable.
- There is a possibility that these quarterly financial results may require adjustments before constituting the final Ind AS financial statements as of and for the year ending 31 March 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- Consequent to a change in the software for recording of inventory transactions pertaining to the maintenance divisions in the previous years, 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 Indian Accounting Standard 2 – Valuation of Inventories. This is a subject matter of qualification in the review report for the year/period ended 31 March 2015, 31 March 2016, 31 March 2017 and quarter ended 30 June 2016, 30 September 2016, 31 December 2016, 30 June 2017, 30 September 2017 and 31 December 2017.
- The Company has invested an amount of ₹ 790 lakhs in subsidiary named Accel IT Resources Limited (AITRL) and advanced loan (including interest) amounting to ₹ 573 lakhs. AITRL has reported losses during the current year, its net worth is fully eroded as at 31 December 2017. 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.
- Statement of reconciliation of loss after tax under Ind AS and loss after tax reported under previous Indian GAAP (IGAAP) for the period and quarter ended 31 December 2016 is as follows:

Particulars	Standalone	
	Quarter ended 31 December 2016	Period ended 31 December 2016
Loss after tax as per previous Indian GAAP (A)	(474)	(1,124)
<b>Adjustments:</b>		
Gain on fair valuation of long term loans and advances	4	10
Reclassification of net actuarial gain on employee defined benefit obligations	(3)	15
Premium on financial guarantee contracts	0	2
<b>Net adjustments (B)</b>	<b>1</b>	<b>27</b>
<b>Net loss after tax (before Other Comprehensive Income) as per Ind AS</b>	<b>(473)</b>	<b>(1,097)</b>

7 The Company has disinvested the entire 51% (fifty one percent) stake in its Singapore subsidiary, for a total consideration of S\$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only) on 10 July 2017, equivalent to INR 9,002 Lakhs. The profit made on such sale of investment to the tune of ₹ 8,227 lakhs has been disclosed under exceptional item.

8 The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

Place : Chennai  
Date : 06 February 2018

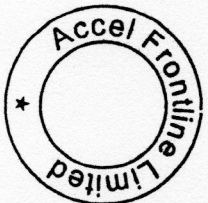
*M. Mehta*  
Malcolm F. Mehta  
Chairman & Chief Executive Officer



**Segment-wise Revenue, Result, Assets and Liabilities**

Particulars	₹ In Lakhs					
	3 Months ended 31 December 2017	Preceding 3 months ended 30 September 2017	Corresponding 3 months ended 31 December 2016 in the previous year	Year to date figures for current period ended 31 December 2017	Year to date figures for previous period ended 31 December 2016	Previous year ended 31 March 2017 Refer note 2
<b>1. Segment Revenue</b>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Systems Integration	2,746	3,927	3,690	16,181	10,966	17,101
Infrastructure Management Services	3,575	3,418	3,454	10,446	9,894	13,453
Software Services	944	938	1,007	2,788	3,241	4,231
Warranty Management Services	503	450	437	1,429	1,270	1,720
<b>Net Sales / Income from Operations</b>	<b>7,768</b>	<b>8,733</b>	<b>8,588</b>	<b>30,844</b>	<b>25,371</b>	<b>36,505</b>
<b>2. Segment result</b>						
Systems Integration	(199)	218	51	341	201	158
Infrastructure Management Services	473	214	508	1,215	1,393	1,530
Software Services	(9)	(1)	(75)	(68)	(95)	(301)
Warranty Management Services	(57)	(86)	(100)	(200)	(311)	(456)
<b>Total</b>	<b>208</b>	<b>345</b>	<b>384</b>	<b>1,288</b>	<b>1,188</b>	<b>931</b>
Less : (i) Finance costs	367	445	621	1,334	1,708	2,353
Less : (ii) Other unallocable expenses	255	288	268	772	674	812
Add : Unallocable income	186	8,406	32	8,618	97	152
<b>Total (Loss) / Profit Before Tax</b>	<b>(228)</b>	<b>8,018</b>	<b>(473)</b>	<b>7,800</b>	<b>(1,097)</b>	<b>(2,082)</b>
<b>3. Segment assets</b>						
Systems Integration	9,230	7,032	7,894	9,230	7,894	7,895
Infrastructure Management Services	9,087	9,240	9,731	9,087	9,731	8,930
Software Services	3,995	3,840	3,328	3,995	3,328	3,499
Warranty Management Services	1,394	1,350	1,329	1,394	1,329	1,145
Unallocated	7,649	7,373	6,841	7,649	6,841	7,370
<b>Total assets</b>	<b>31,355</b>	<b>28,835</b>	<b>29,123</b>	<b>31,355</b>	<b>29,123</b>	<b>28,839</b>
<b>4. Segment Liabilities</b>						
Systems Integration	7,582	6,609	7,799	7,582	7,799	8,814
Infrastructure Management Services	8,243	6,691	8,736	8,243	8,736	8,798
Software Services	2,591	3,161	2,702	2,591	2,702	2,911
Warranty Management Services	1,250	1,398	1,137	1,250	1,137	1,351
Unallocated	10,233	9,315	12,759	10,233	12,759	11,402
<b>Total liabilities</b>	<b>29,899</b>	<b>27,174</b>	<b>33,133</b>	<b>29,899</b>	<b>33,133</b>	<b>33,276</b>

*M. K. Srinivasan*



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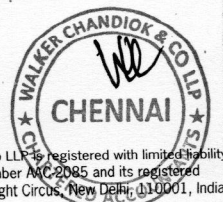
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## Independent Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Accel Frontline Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Accel Frontline Limited ("the Company") for the quarter ended 31 December 2017, and the year to date results for the period 01 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 31 December 2016 and the year to date results for the period 01 April 2016 to 31 December 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As disclosed in note 4 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,590 lakhs as at 31 December 2017 (31 March 2017: ₹ 3,594 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 Indian Accounting Standard (Ind 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 December 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 year ended 31 March 2015, 31 March 2016 and 31 March 2017 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, 31 December 2016, 30 June 2017 and 30 September 2017 were also qualified in this regard.



# Walker Chandiok & Co LLP

4. Based on our review conducted as above, except for the possible effects of the matter described in previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement
5. We draw attention to note 5 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 ₹ 573 lakhs respectively as at 31 December 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 31 December 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 has been recognized in the accompanying standalone financial results. 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

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



Place : Chennai  
Date : 06 February 2017

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