ACCEL FRONTLINE

GLOBAL IT SERVICES

21ST ANNUAL REPORT

2015 - 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Mr. Malcolm F. Mehta - Executive Director
Mr. R. Ramaraj - Independent Director
Mr. Bin Cheng - Non-Executive & Non Independent
Ms. Ruchi Naithani - Independent Director
Mr. Raj Khalid - Independent Director

BOARD COMMITTEES :
AUDIT COMMITTEE :

Mr. R. Ramaraj - Chairman
Mr. Bin Cheng - Member
Ms. Ruchi Naithani - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Raj Khalid - Chairman
Mr. Bin Cheng - Member
Mr. R. Ramaraj - Member

NOMINATION AND REMUNERATION COMMITTEE

Ms. Ruchi Naithani - Chairperson
Mr. Bin Cheng - Member
Mr. Raj Khalid - Member

MANAGEMENT TEAM

Mr. Maqbool Hassan - (President & COO ITS (IIS/IMS))
Mr. Milind Kalurkar - (President SSD)
Mr. R. Ganesh - (President WMS)
Mr. R. Lakshmipathi - (Vice President - Corporate HR)
Mr. R. Neelakantan - (Chief Financial Officer)
Mrs. Sweena Nair - (Company Secretary upto 21/10/2016)
Mr. S. Sundaramurthy - (Company Secretary w.e.f 21/10/2016)

STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP.,
Chartered Accountant,
Arihant Nitco Park, 6th Floor,
No. 90, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004.

INTERNAL AUDITORS

M/s. K.S. Aiyar & Co.,
Chartered Accountants,
54/2, Paulwells Road,
St. Thomas Mount,
Chennai - 600 016.

SECRETARIAL AUDITORS

Mr. S. Hari Krishnan,
Practising Company Secretary,
No. 6/17, Nancy Street, Pursawalkam,
Chennai - 600 007.

LEGAL ADVISORS

M/s. S. Ramasubramaniam and Associates, Advocates,
No. 6/1, Bishop Wallers Avenue (West),
Mylapore, Chennai - 600 004.

PRINCIPAL BANKERS

Axis Bank Ltd.
IDBI Bank Ltd.
Mizuho Bank Ltd.
State Bank of India
Sumitomo Mitsui Banking Corporation

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Linkintime (India) Pvt. Ltd.,
C13, Pannalal Silk Mills Compound ,
LBS Marg, Bhandup (West),
Mumbai - 400 078.

STOCK EXCHANGES WHERE COMPANY'S SHARES ARE LISTED

National Stock Exchange of India Limited,
(Stock Code - AFL)
BSE Limited (Stock Code - 532774)

REGISTERED & CORPORATE OFFICE

No. 75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.

COMPANY'S WEBSITE

www.accelfrontline.com

CORPORATE IDENTITY NUMBER

L30006TN1995PLC031736
ISIN NO. INE020G01017

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NOTICE TO MEMBERS

To

THE MEMBERS OF ACCEL FRONTLINE LIMITED

NOTICE is hereby given that the Twenty-First Annual General Meeting of the members of Accel Frontline Limited will be held on Monday, the 28th Day of November, 2016 at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 018 at 9.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bin Cheng, (DIN: 06913491) who retires by rotation and, being eligible, offers himself for re-appointment.
3. Re-Appointment of Statutory Auditors.

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Chennai, bearing (Firm Registration No. 001076N/N500013), be and are hereby re-appointed as Statutory Auditors of the Company (being third year in the block of five years ending 2019) to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of the appointment every subsequent Annual General Meeting) at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

   Re-Appointment of Mr. R. Ramaraj as an Independent Director.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) Mr. R. Ramaraj, (DIN: 00090279) who was re-appointed by the Board of Directors on 18th September, 2015 as an Independent Director of the company for a further period of three years and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of three years i.e. from 31st October, 2015 to 30th October, 2018, whose period of appointment shall not be liable to retire by rotation in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

   Consent under Section 180(1)(c) of the Companies Act, 2013 for Borrowings.

   "RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Company and the consent of the Company be and is hereby accorded to the Board of Drectors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) under provisions of Section 180(1)(c) of the Companies Act, 2013 as amended from time to time and Articles of Association of the Company for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of other instruments, and either from the Company's Bankers or from any other Banks/Financial Institutions or any other lending institutions or bodies corporate or other persons on such terms, conditions and covenants as are stipulated and as may be considered appropriate by the Board of Directors may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 500 Crores (Rupees Five Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company."

   "RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorized by the Board, be and is / are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company.

By order of the Board
For Accel Frontline Limited

Place : Chennai — **Malcolm F. Mehta**
Date : 21st October, 2016 — **Executive Director**

Registered Office :
75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN : L30006TN1995PLC031736

NOTES :

1. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from Tuesday, the 22nd November, 2016 to Monday, the 28th November, 2016 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
4. **A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**
5. **Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its Registered Office not later than 48 hours before the commencement of the AGM.**
6. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
7. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
8. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. The Notice of 21st AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2016 is uploaded on the Company's website www.accelfrontline.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, the 21st November, 2016 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.
12. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, the 21st November, 2016 ("Incremental Members") may obtain the User ID and password by either sending an e-mail request to evoting@nsdl.co.in or calling on Toll Free No. 1800-222-990. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
13. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
14. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
15. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's Registrars & Transfer Agents.
16. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agents. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF. The Company has transferred the unpaid or unclaimed dividends declared upto Financial Year 2008-2009 from time to time on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the IEPF fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Company) Rules 2012, the Company has uploaded the details of Unpaid and Unclaimed amounts lying with the Company as on the 25th September, 2015 (date of the last Annual General Meeting on the website of the Company and also on the website of the Ministry of Corporate Affairs).
17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for

cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

18. As required in terms of SEBI (LODR) Regulations 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM is forming part of the Explanatory Statement given below.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 A.M. to 06:00 P.M.) on all working days except second and fourth Saturdays, up to the date of the AGM of the Company.

21. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

22. Voting through Electronic means:

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and in terms of Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through ballot or polling paper or e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through any means made available at the venue.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not been titled to cast their vote again.

    IV. The remote e-voting period commences on Thursday, the 24th November, 2016 (9:00 A.M.) and ends on Sunday, the 27th November, 2016 (5:00 P.M). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st November, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolutionis cast by the member, the member shall not be allowed to change it subsequently.

    V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Accel Frontline Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. to the Scrutinizer through e-mail to soy@saspartners.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository

Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st November, 2016 (Monday).

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, the 21st November, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free no.:1800-222-990.

XI. Mr. Soy Joseph, Practising Company Secretary (Membership No. 13852) and Partner of M/s. JM & Associates, Company Secretaries, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "e-voting" or "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.accelfrontline.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.

By order of the Board
For Accel Frontline Limited

Place : Chennai — **Malcolm F. Mehta**
Date : 21st October, 2016 — **Executive Director**

Registered Office :
75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN:L30006TN1995PLC031736

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

The Board of Directors of the Company appointed Mr. R. Ramaraj as an Additional Director on 31st October, 2012, which was approved by the shareholders in the Annual General Meeting held on 19th December, 2012. The term of Mr. R. Ramaraj (i.e. 3 years) as an Independent Director expired on 30th October, 2015. The Board of Directors of the Company re-appointed Mr. R. Ramaraj, as an Independent Director in the meeting held on 18th September, 2015 for a further period of three years i.e. from 31st October, 2015 to 30th October, 2018 under the provisions of the Companies Act, 2013. As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company. In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. R. Ramaraj, it is proposed to re-appoint him as an Independent Director on the Board for a period of further three years commencing from 31st October, 2015.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. R. Ramaraj, for the office of Director of the Company.

Mr. R. Ramaraj, is not disqualified from being appointed as a

Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Brief resume of Mr. R. Ramaraj, nature of his expertise in specific functional areas, names of companies in which he holds directorship, memberships/chairmanships of Board Committees and shareholding as stipulated under SEBI Listing Regulations, are provided in the Annexure A to this notice.

The Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution. Save and except Mr. R. Ramaraj, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

Item No. 5

The earlier resolution passed by the members of the Company for borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 100 Crores (Rupees One Hundred Crores only). In view of the potential growth in business of the Company, anticipating the need of additional funds and to meet the certain exigencies of funds in the future, the Company may be required to borrow funds from various entities from time to time for meeting operational and/or short/long term fund requirements (whether by way of advances/loans, issue of debentures/bonds and/or other instruments or otherwise), and the aggregate of such outstanding borrowings, apart from the temporary loans, if any, borrowed from bankers of the Company in the ordinary course of business, may exceed the aggregate of the paid-up share capital and free reserves of the Company.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 500 Crores (Rupees Five Hundred Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out at Item No. 5.

By order of the Board
For Accel Frontline Limited

Place : Chennai — **Malcolm F. Mehta**
Date : 21st October, 2016 — **Executive Director**

Registered Office :
75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN:L30006TN1995PLC031736

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ANNEXURE A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	Mr. Bin Cheng	Mr. R. Ramaraj
Date of Birth	12th November, 1962	16th February, 1950
Date of Appointment	13th August, 2014	31st October, 2012
Qualification	Bachelor's Degree in Electrical Engineering. Master's in Applied Electronics from the Tokyo Institute of Technology, Research Assistant majoring Artificial Intelligence at the University of Maryland.	B.Tech in Chemical Engineering from the University of Madras. MBA from Indian Institute of Management, Calcutta. Ph.D. from SRM University.
Expertise	Expertise of more than 20 years in CAC, systems development for large international banks, lead CAC Shanghai to significant growth over the last 10 years playing a pivotal role in developing the relationship and the subsequent business alliances with numerous multinational corporations and has been instrumental in creating CAC Shanghai's business strategy for utilizing Chinese Information Technology professionals to meet the technology needs of global clients.	An entrepreneur who has been involved in ventures in IT, cellular and Internet. His last venture was Sify, where he was the Co-Founder and Chief Executive Officer. He was recognized as the 'Evangelist of the Year' at the India Internet World Convention in September 2000 and was also voted the IT Person of the year 2000 and in 2001, in a CNET.com poll in India. In 2010, the Confederation of Indian Industry (CII) recognized him with a Life Time Achievement Award for nurturing the Spirit of Entrepreneurship and inspiring and mentoring numerous entrepreneurs. He was the Senior Advisor at Sequoia Capital and is currently Senior Advisor at Elevar Equity. He was a Member of the Board of Governors of the Indian Institute of Management, Calcutta 2010-2015. He is on the board of Olympic Gold Quest (OGQ), a Not for Profit organization. He is the Co-Founder and Director of Coaching Foundation of India, an organization that trains and certifies CEO Coaches. He is the Chairman of Villgro Foundation, an Incubator for social enterprises and also a Director of the IIMC Innovation Park. He is the Chairman of the Investment Committee at IITM Incubation Centre. The first Indian to be invited to the Board of Directors of ICANN (Internet Corporation for Assigned Names and Numbers) where he served for 6 years as an Independent Director.
Chairmanship / Membership of the Committees of the Board of Director of the Company	1. Audit Committee – Member. 2. Stakeholders Relationship Committee – Member. 3. Nomination and Remuneration Committee – Member.	1. Audit Committee – Chairman. 2. Stakeholders Relationship Committee-Member.

Directorship of other Companies (excluding Foreign Companies / Section 8 Companies)	Nil	1. TVS Electronics Limited. 2. R S Software (India) Limited. 3. Aarusha Homes Private Limited. 4. Madura Micro Finance Limited. 5. Silvan Innovation Labs Private Limited. 6. IMERIT Technology Services Private Limited. 7. Paypermint Private Limited. 8. Mape Advisory Group Private Limited. 9. Villfarm Agrisolutions Private Limited. 10. Coaching Foundation India Limited.
Chairmanship / Membership of the Committee of other companies in which he is a Director	Nil	**1. Audit Committee** a. R S Software (India) Limited – Member b. TVS Electronics Limited – Member **2. Shareholders Grievances Committee** a. TVS Electronics Limited – Chairman
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on 31st March, 2016.	Nil	Nil

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DIRECTORS' REPORT

To

THE MEMBERS OF ACCEL FRONTLINE LIMITED

Your Directors present the 21st Annual Report of ACCEL FRONTLINE LIMITED (the Company) Standalone and Consolidated financial statement along with the Audited Financial Statements for the financial year ended 31st March, 2016.

1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	2016	2015	2016	2015
Sales, services & other income	51,293	48,734	32,347	34,209
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,498	5,067	(892)	3,577
Finance costs	2,083	2,255	1,957	2,128
Depreciation and amortization expense	1,262	1,203	846	1,050
Operating Profit before Tax & Prior Period expenses	(1,847)	1,609	(3,695)	399
Prior Period Expenses / Income net	11,465	1,505	10,003	1,505
Provision for tax (Net)	370	(216)	61	(361)
Profit after tax	(13,682)	320	(13,759)	(745)
Minority Interest	822	414	-	-
Profit after Minority Interest	**(14,504)**	**(94)**	**(13,759)**	**(745)**
Balance brought forward from previous year	**1,215**	**1,514**	**712**	**1,574**
Amount available for appropriation	**(13,289)**	**1,420**	**(13,047)**	**829**
Transfer to Depreciation Reserve	-	205	-	117
Balance carried to Balance Sheet	(13,289)	1,215	(13,047)	712

2. DIVIDEND

The Directors have not recommended dividend for the year ended 31st March, 2016.

3. OPERATING RESULTS AND BUSINESS OPERATIONS

For the Financial Year 2015 - 16, your Company has achieved a revenue of ₹ 51,293 lakhs on a consolidated basis and ₹ 32,347 lakhs on a standalone basis. The EBITDA on a consolidated basis ₹ 1,498 lakhs and on a standalone basis stood at ₹ (892) lakhs. The Company had to provide a sum of ₹ 11,465 lakhs on a consolidated basis and ₹ 10,003 lakhs on a stand-alone basis on account of certain prior period and exceptional items accounted during the year. This resulted in a net loss of ₹14,504 lakhs on a consolidated basis and ₹ 13,759 lakhs on a standalone basis.

4. HUMAN RESOURCES DEVELOPMENT

The Company has been in the same line of business over the years and has in the past year identified technologies and areas having potential for future growth of the Company. The Company recognizes that employees are its main asset. In line with this the Company has initiated training of resources to meet the market requirements and deliver high quality services. Talent recognition and reward for performance is one of the key measures to encourage and motivate employees. Regular Knowledge and skill upgradation training programs are conducted by internal as well as external knowledge management experts.

5. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, there were no complaints received by the ICC and no cases were pending for disposal.

6. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

The company believes in sustained efforts to maintain highest levels of quality to enhance customer satisfaction. During the year the company continued to invest in technologies, infrastructure and processes in order to keep our quality management systems updated.

The company has certifications for:

• ISO 9001:2008 (Quality Management System)

• ISO 27001:2013 (Information Security Management System)

• ISO 20000-1:2011 (Service Management System)

• CMMI Level 3 Dev 1.3

The company is in the process of putting in place policies, processes and systems that will not only enable strengthening and smooth functioning of the operations but also improve the quality of operations.

In order to achieve highest levels of quality and robust information security practices, the Company will progressively endeavor to achieve enterprise-wide CMMI Level 5 (for Development) in the near future.

7. DOCUMENTS PLACED ON THE WEBSITE (www.accelfrontline.com)

The following documents have been placed on the Company's website in compliance with the Companies Act:

a. Financial Statements of the Company and Consolidated Financial Statements.

b. Separate audited accounts in respect of subsidiaries as per fourth proviso to Section 136(1).

c. Details of Vigil Mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).

d. The Terms and Conditions of appointment of independent directors.

e. Details of unpaid dividend as per Section 124(2).

8. SUBSIDIARY COMPANIES

The Company has subsidiaries operating in Singapore, UAE, Japan, United States of America and United Kingdom which are not listed in India or abroad as of date. The Company also has a wholly owned unlisted Indian Subsidiary.

The Statutory Audit Report of the Subsidiary Companies for the financial year are placed before the Audit Committee and reviewed by them.

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary Companies may write to the Company Secretary.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial Statement of the subsidiaries is set out in the prescribed Form AOC-1, which forms part of the Annual Report.

9. CORPORATE GOVERNANCE REPORT REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS, 2015.

As per SEBI LODR Regulations, 2015, Corporate Governance Report with Auditors' Certificate on Compliance with the conditions of Corporate Governance is attached and form part of this report.

10. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis and various initiatives and future prospects of the Company are enclosed, separately as Annexure-II to this report.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the present management, the directors hereby confirm that:

i. the present management in the preparation of the annual accounts for the financial year 2015-16, have followed the applicable accounting standards and there were no material departures, except for recognition of revenue and valuation of inventories done by the previous management.

ii. the present management have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;

iii. the present management have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that they have put in place adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, subject to para 8 (c) relating to internal controls.

iv. the present management have prepared the annual accounts on a going concern basis;

v. the present management have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly, however, the auditors have opined that the company has not maintained adequate internal financial controls over financial reporting as mentioned in para 9 relating to internal controls. The present management is in the process of strengthening the same.

vi. the present management have put in place proper systems to ensure compliance with the provisions of all applicable laws subject to the above matters and that such newly introduced systems are adequate and have been operating effectively since they have been put in.

12. Auditors and Secretarial Auditor Report.

(a) Management responses to the qualifications in the auditor's report:

1. Provisions for bad and doubtful debts:

As disclosed in Note 30 to the financial statements, during the financial year, the Company under the present management had undertaken an exercise to validate the quality of the Trade receivables by appointing an independent consultant from one of the big four accounting firms. Based on the Special Audit (Review) Report and ongoing exercise conducted by the present management on certain other areas including inventories, fixed assets, etc., the Company had concluded that there was over-ride of financial controls when the Company was under the previous management, resulting in financial mis-management prior to the operations being handed over to the present management by the previous management in operation control of the Company in two stages in May, 2015 and September, 2015.The same has been provided/written off in the books, which is disclosed in the financial results as prior period items (which pertain to transactions prior to 31st March 2015) / exceptional items. The management is of the opinion that these provisions/write off's are appropriate as on date.

2. Valuation of Inventories:

As disclosed in Note 33 to the financial statements, the company has rectified the software recording of the inventory transactions to reflect the weighted average cost of inventory. The company is taking necessary steps to correct the opening valuation of the stocks during the current financial year.

3. Provisions for Inventory:

As disclosed in Note 32 to the financial statements, based on the 100% physical verification of its inventories conducted by the management, the company has provided for the material discrepancies in the financial statements. The company is also in the process of evaluating and strengthening the existing process.

4. Fixed assets of the company:

As disclosed in Note 31 to the financial statements, the company had conducted physical verification of certain block of assets and have written off value of non-existent assets in its financial statements. The company has initiated a reconciliation process and the same will be completed during the current financial year.

5. Recognition of revenue:

As disclosed in Note 20(a) to the financial statements, during the previous year, the company had recognized revenue of ₹ 397 lakhs with a cost of ₹ 368 lakhs for shipments made during the previous year and received by the customer during the current financial year. The then management recognized the revenue in the previous year itself as it believed that the risk relating to the shipments had been transferred during that period.

6. Preparation of accounts on going concern basis:

As disclosed in Note 34 to the financial statements, the company had a net loss of ₹ 13,759 lakhs, negative cash flows of ₹ 430 lakhs, negative net worth of ₹ 2,356 lakhs and current liabilities exceed current assets by ₹ 6,458 lakhs. The company has prepared the accounts on a going concern basis as it has availed adequate facilities with various banks to meet its obligations over the next 12 months and have made a cash profit of ₹ 423 lakhs during the quarter ended 30th June 2016.

(b) Qualifications by the Secretarial Auditor and management response:

1. An order under Sections 11(1), 11(2)(j), 11(4) and 11 B of SEBI Act, 1992 read with Section 12A of Securities Contracts (Regulations) Act, 1956 from SEBI dated 22nd July, 2015 was received against the Company and its Promoters towards non-compliance with minimum public shareholding norms. However, the Company is now compliant with the Minimum Public Shareholding norms.

   The Company has on 18th March, 2016 received the final order from SEBI revoking the directions issued vide order dated 22nd July, 2015 against the Company, its Directors, Promoter and Promoter Group.

2. One of the shareholder of the company M/s. Accel Limited represented by its Chairman Mr. N.R. Panicker has filed a Company petition under Section(s) 397, 398, 402, 403 and 406 of the Companies Act, 1956 before the Company Law Board, Chennai Bench, (now re-designated as the National Company Law Tribunal at Chennai), wherein inter-alia the Company (M/s. Accel Frontline Limited) and all its present Directors, Chief Financial Officer and then Company Secretary have been named as respondents.

   The Directors do not immediately expect any financial implications arising from the same.

3. The Company had suo moto engaged an Independent Consultant from one of the big four accounting firms to examine the quality of Bills receivable of the company and other transactions arising out of their work procedures initially for the 3 year period ended 31st March 2015 and subsequently extended to 31st December, 2015. The report of the said accounting firm ("Special Audit (Review) Report") was presented to the Board of the Company on 14th March, 2016.

   The preliminary findings of the Independent Auditor were intimated to the Stock Exchanges on 9th February, 2016 and the final findings were intimated on 14th March, 2016.

4. During the year under review, the Board of Directors of the Company at their meeting held on 20th March, 2016 had suspended Mr. N.R. Panicker from his position as Executive Chairman of the Company based on the discussions on the Special Audit (Review) Report.

5. The Company had made an application to the SEBI and Stock Exchanges seeking extension of time till 31st August, 2016 for adopting the audited financial results for the year ended 31st March, 2016. Subsequently, the Company had adopted the audited financial results for the year ended 31st March, 2016 on 1st August 2016.

6. The Company had made an application to the Registrar of Companies, Chennai seeking extension of time

for three months till 31st December, 2016 to hold the Annual General Meeting. In consideration of the company's application, the Office of Registrar of Companies (ROC), Chennai vide its order dated 30th September, 2016 had approved the application and granted extension of time for three months till 31st December, 2016 to hold the Annual General Meeting.

13. DISCLOSURES MADE BY THE COMPANY UNDER REGULATION 30 OF THE SEBI (LODR) REGULATIONS, 2015 TO THE STOCK EXCHANGES

(i) The Company had suo-moto appointed an Independent Consultant from one of the big four accounting firms to examine the quality of bills receivables of the company for the period of 3 years ended March, 2015. The company had informed the Stock Exchanges on 9th February, 2016 of the preliminary findings and on 14th March, 2016 of the findings of the final report.

(ii) The Board of Directors had suspended Mr. N.R. Panicker from his position as Executive Chairman of the Company based on the discussions by the Board on the Special Audit (Review) Report at the meeting held on 20th March 2016.The term of Mr. N R Panicker as Director of the Company has ended on 31st March, 2016. A sub-committee comprising of 3 Independent Directors, the Executive Director and CFO was formed to recommend to the Board further actions.

(iii) One of the shareholder of the company M/s. Accel Limited represented by its Chairman Mr. N R Panicker has filed a Company petition under Section(s) 397, 398, 402, 403 and 406 of the Companies Act, 1956 before the erstwhile Company Law Board, Chennai Bench,(now re-designated as the National Company Law Tribunal at Chennai), against the Company, all its present Directors, the Chief Financial Officer and then Company Secretary.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an Annexure-III to this Report.

15. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 14th March, 2016 and evaluated the performance of Non-Independent Directors and the Board as a whole. Further details are available in the Corporate Governance Report.

16. EVALUATION OF THE BOARD'S PERFORMANCE

The Board has carried out an evaluation of its own performance, also that of its Directors individually and its Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

17. AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Chennai, bearing (ICAI Registration No 001076N/ N500013) were appointed as Statutory Auditors for a period of five years till the conclusion of the 24th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the next AGM of the Company.

18. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

No employees draws remuneration in excess of the limits in terms of the provisions of the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. FIXED DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public were outstanding as on the date of the balance sheet.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

- Mr. N.R. Panicker, was suspended as Executive Chairman on 20th March, 2016 and subsequently retired as Director on 31st March, 2016.
- In accordance with Section 149 and other applicable provisions of the Companies Act, 2013, Mr. R. Ramaraj was re-appointed as an Independent Director for a further period of three years i.e. from 31st October, 2015 to 30th October. 2018.
- Mr. Bin Cheng, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- Mrs. Sweena Nair, Company Secretary and KMP resigned as Company Secretary and Compliance Officer w.e.f 21st October, 2016.
- Mr. S. Sundaramurthy was appointed as the Company Secretary and Compliance Officer (KMP) of the Company w.e.f. 21st October, 2016.

21. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the present management.

For and on behalf of the Board

R.Ramaraj	**Malcolm F. Mehta**
Director	**Executive Director**

Place : Chennai
Date : 21st October, 2016

ANNEXURE - I TO THE DIRECTOR'S REPORT

1. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at Annexure-IV in the prescribed form MGT-9 and forms part of this Report.

2. NUMBER OF MEETINGS OF THE BOARD

11 meetings of the Board of Directors of the Company were held during the year. For details of the meetings, please refer the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTOR S' DECLARATION

Mr. R. Ramaraj, Mr. Raj Khalid and Ms. Ruchi Naithani who are Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and SEBI LODR Regulations. Further, there have been no change in the circumstances which may affect their status as independent director during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at Annexure-IV in the prescribed form MGT-9 and forms part of this Report.

5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

As provided under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members & Senior Management Personnel have affirmed compliance with Accel Frontline Limited's Code of Conduct for the year ended 31st March, 2016.

6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in 37 of Summary of significant accounting policies and other explanatory information of standalone financial Statements forming part of the Annual report.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business, exigencies, such as synergy in operations, sectorial specialization and the Company's long term strategy for sectoral investment's, optimization of market share profitability legal requirements, liquidity and capital resources of subsidiaries and associates.

All related party transactions are negotiated on arm's length basis, and are intended to further the Company's interests.

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" referred under Section 188 of the Companies Act, 2013 are set out in the notes to Accounts for the Annual Report. There have been no materially significant related party transactions, which may have potential conflicts with the interest of the company.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Long term loans and advances as at 31st March, 2016 include security deposits and deposits with Statutory/Government authorities. Short term loans and advances as at 31st March, 2016 include rent and other deposits, advance to associate companies and other loans and advances.

8. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

9. INTERNAL CONTROL

The Statutory Auditors have reported the following:

a. The Company did not have appropriate internal controls over revenue with respect to recognition of revenue, assessment of recoverability of trade receivables which has resulted or could have potentially resulted in material misstatement in the value of the Company's revenue, trade receivables and resultant impact on the loss after tax and the reserves and surplus.

b. The Company did not have appropriate internal controls over inventory with respect to receipt, issue for production of inventory, and valuation of inventory, which resulted or could have potentially resulted in material misstatement in the value of Company's inventory, trade payables, cost of sales and resultant impact on the loss after tax and the reserves and surplus.

c. The Company did not have appropriate internal controls over physical verification of fixed assets which resulted or could have potentially resulted in material misstatement in the value of Company's fixed assets, depreciation and resultant impact on the loss after tax and the reserves and surplus.

d. The Company did not have appropriate internal controls over recording of expenses and accounting of prepaid expenses which resulted or could have potentially resulted in material misstatement in the value of the Company which resulted or could have potentially resulted in material misstatement in the and the reserves and surplus.

Responses of the management to the above qualifications:

The present management is of the view that there was override of financial controls by the previous management before handing over the management of the company to the present management. The Company, under the present management has initiated the following steps to rectify the above during the financial year 2016-17 to make it compliant with internal control requirements:

a) have introduced changes in its accounting software to bring in controls for recognition of revenue, invoicing and trade receivables. This will also reduce manual intervention.

b) have appointed an Independent Consultant to evaluate the internal controls over accounting of inventories and suggest appropriate controls for implementation.

c) have conducted 100% physical verification of certain block of assets and is considering an appropriate way to maintain adequate records and control over its assets.

d) have strengthened the controls relating to accounting of expenses.

10. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS (Weblink: www.accelfrontline.com)

The Company has practice of conducting familiarization program of the Independent Directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

12. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Subsidiaries of the Company are engaged in the business of providing ITES services or business solutions or consulting including business process outsourcing services. There has been no material change in the nature of the business of the subsidiaries. The Company's wholly owned subsidiary consists of:

1. Accel Systems & Technologies PTE Limited, Singapore 2. Accel Frontline DMCC, Dubai, 3. Accel North America, Inc., 4. Accel IT Resources Ltd., 5. Network Programs (USA) Inc., 6. Networks Programs (Japan) Inc., USA, 7. Accel Japan KK, Japan, and 8. Accel Technologies Limited, U.K. The subsidiaries earned revenue of ₹ 18,945 lakhs during the Financial Year 2015 -16 compared to ₹ 14,525 lakhs during Financial Year 2014-15 registering a growth of 30% over the previous financial year. The Net Profits of these subsidiaries declined by 84% on consolidated basis to ₹ 159 lakhs during Financial Year 2015-16 compared to ₹ 1,146 lakhs during Financial Year 2014-15 on account of prior period and exceptional items. Despite significant increase in revenue, the profitability was lower primarily due to prior period and exceptional items being accounted for in Dubai subsidiary to the tune of almost ₹ 1,332 Lakhs.

Financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

14. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Except Mr. Malcolm F. Mehta and Mr. N.R. Panicker (upto 20th March, 2016), no directors were in receipt of remuneration except sitting fees. For this purpose, Sitting fees paid to the Directors have not been considered as Remuneration.

Name of the Directors	Ratio to median remuneration	Remuneration paid (₹ In Lakhs)
Mr. Malcolm F. Mehta*	163.59	301.42
Mr. N.R. Panicker (upto 20th March, 2016)	67.15	123.72

* M/s CAC Holdings Corporation, Japan is reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F. Mehta

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Person	% increase in remunaration
Mr. Malcolm F. Mehta, Executive Director	31.54
Mr. R. Neelakantan, Chief Financial Officer	NIL
Mrs. Sweena Nair, Company Secretary	23.96

(c) The percentage increase in the median remuneration of employees in the financial year; - NIL

(d) The number of permanent employees on the rolls of Company;

There were 2606 permanent employees on the rolls of Company.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2015-16 was 12.34%. Percentage increase in the managerial remuneration for the year was 31.54%.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company;

The Company's remuneration policy is based on the performance of the employees and that of the Company. The Company's compensation consists of fixed component, benefits and variable pay based on the individual's performance which is measured through the annual appraisal process.

15. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

For and on behalf of the Board

Place : Chennai
Date : 21st October, 2016

R.Ramaraj
Director

Malcolm F. Mehta
Executive Director

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ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

While world over the economic situation is full of uncertainty, the Indian economy has not only held its ground but also managed to grow at a decent pace. This is despite two years of poor monsoon and dire scarcity of water across the country. Low oil and commodity prices globally have helped in keeping the balance of payment in check and managing the trade deficit. With a good monsoon this fiscal year the economy is expected to grow over 7%. The passage of GST and its likely implementation from April 2017 is expected to bring in further impetus to the economy. It is also likely to create more demand for IT services as companies would have to become compliant to GST.

The Indian IT industry had lackluster growth in the financial year but is expected to grow by 12-14% in the fiscal year 2016-2017. The global outsourcing market is approximately US$130 billion and India has a share of about 67% of it. While the cost competitiveness still remains a key factor, in recent years the IT industry is also recognized for its intellectual capital with many global IT companies setting up their R&D centers in India. The internet economy is expected to grow significantly in the next few years driven by addition of more new users as well as the cost of bandwidth going down. Increased penetration of internet and rapid rise in E-commerce are the main drivers for continuing growth of data center co-location and hosting market. The internet economy is expected to account for 5% of the GDP by 2018. The Government of India's digital initiative will see some increase in requirements of data storage all over the country. The increasing need for storing consumer data driven by the E-commerce sector is also driving the growth of storage equipment in India. Information security and cyber security will also become critical to protect the huge amount of consumer data.

B. OPPORTUNITIES & THREATS

The Indian IT Industry is expected to have a robust growth in view of various developments that are taking place In India. India is the top most offshoring destination for IT companies all over the world. Emerging technologies offer a new gamut of opportunities in India. Social, Mobility, Analytics and Cloud (SMAC) collectively expect to offer a US$1 trillion opportunity. Cloud is the largest opportunity under SMAC.

The Government of India has launched the Digital India program to provide several services to the people using IT and to integrate the various Government departments with the people of India. This is a big opportunity for the IT industry in India as it will create a huge demand. With the cost of Internet bandwidth getting lower, there are sufficient opportunities for IoT services to be provided. India is the one of the most sought after country for both on-shore and off-shore services to global clients. With more consumer data being stored on account of rapid rise of E commerce in India, the security business is gaining importance and provides a good opportunity for IT companies in India.

While the opportunities do exist, there is a constant need to upgrade and keep abreast with the rapid speed of technology. The Company would need to continuously invest in new technology and keep its resources trained in new technology to meet the market requirements. The increasing competition from smaller companies will put pressure on the margins. Uncertainty in the global market could have an adverse impact on India's economy and thereby its IT industry.

C. FOCUS AREAS OF THE COMPANY

While it is necessary to have a healthy topline growth, going ahead the company's focus is going to be on improving its profitability. In the existing IT Technology Services (ITS) Division's business, sale of hardware by the IT Infrastructure Solutions (IIS) has a significant share of the revenue which results in lower margins. While the Infrastructure Management Services (IMS) part of the business is having a reasonably good margin, it is to a certain extent dependent on the initial sale of hardware by IIS. Efforts are on to reduce the dependence of IMS on IIS to the extent possible and increase the share of the services business in ITS. New services including Information Security services and Cyber Security services will be promoted aggressively in India, North America and Japan. With a large customer base of banks, both nationalized and private sector in India we would like to offer them our Security services. The profitability margin from these services is expected to be higher. There is going to be an increased effort in targeting business from the private sector including from multinational companies in India. Focus is also going to be on identifying and approaching Japanese multinational companies in India that are customers of CAC in Japan.

Due to our strength in the IT infrastructure business we are reasonably well placed to participate in large infrastructure projects across India. Many of these projects are being funded by Japan through its Official Development Assistance (ODA) program. In recent years India is the largest recipient of Japanese ODA with many of its Metro projects being funded under this program. Due to our experience of working with the Indian Railways where we have been supplying Automated Ticket Vending Machines (ATVM), we would like to leverage on this and participate in the Metro projects in the near future. Smart cities would be providing further opportunities inthe years to come to expand our business, by leveraging on our ITS capabilities and vast network all over India.

While we do have Cloud related services including remote infrastructure management services under the Managed Services Group (MSG) of Software Services Division (SSD), the customer base is predominantly in India. Efforts are on to extend this service overseas that could help us not only get bigger deals but also improve our profitability margins. Mobility is another area where we have experience but it is working for overseas companies. With a booming mobile telephone market in India the potential for offering our services is tremendous. The capabilities of SSD's, Technology Services Group (TSG) in mobility is critical. TSG would also be looking at expanding its scope of services to application development and maintenance. Maintenance work will ensure annuity business. Product engineering services of TSG are presently being catered to the American and Japanese market. Efforts are on to target a few industries such as automotive and healthcare, and create niche products and services for it. We would also be aiming to develop our own Intellectual Property (IP). We have successfully developed products for customers in North America in the Internet of Things (IoT) space and would like to extend this to Europe and Asia. With the growing influence of IoT globally there is a tremendous potential for exploiting the conditions.

Banking group under SSD has been servicing nationalized and private banks in India and at times overseas. Being a preferred implementation partner of Infosys for its core banking product 'Finacle' the Banking group has vast experience of implementation in India and abroad. The Banking group has its own product called 'Government Business Module' (GBM) which is being used by many banks across India. Efforts are on to further enhance GBM to be able to cater to the future needs of customers in India. With new banks and payment banks being granted permission by RBI the market is likely to get more competitive. With GST likely to get implemented from April 2017, the requirement for application development and customization is expected to increase.

Warranty Management Services (WMS) Division has been providing repair/replacement services for products such as hard disk, computer peripherals, printers, mobile phones etc. that are under warranty period. Due to a wide network of our own and partner service locations we have been able to provide our services all over India. Until a few years back the focus was on hard disk, printers and computer peripherals, however due to the drastic decline in PC sales over the last two to three years the business has been severely impacted. WMS Division has made efforts to grow its business in the mobile phone market for the past two years. With increasing competition in the mobile phone market and decreasing prices of mobile phone handsets the service charges being paid by the principals to WMS is low. If the volumes increase beyond a certain point, then it is possible to make a decent profit but till then it is going to be tough.

The overall focus of the Company is going to be on increasing the share of the services business in India, increase the share of the exports / overseas business, cross-sell its services across divisions and geographies, develop niche products and services and target private sector including multinational companies in India. All the above measures will help in improving the profitability of the Company over the long run.

D. SINGAPORE AND DUBAI SUBSIDIARIES

Both the overseas subsidiaries in Singapore and Dubai are currently concentrating on specific areas of service and are mostly servicing their customers locally in Singapore or United Arab Emirates (UAE). While Singapore is providing Cyber Security services to government and private sector customers in Singapore, Dubai is providing hardware implementation and support services to government and private sector customers predominantly in UAE. Going ahead there is potential to offshore some of their services to India which would not only enable them to overcome the resource crunch that is there locally, but also help improving its competitiveness and pricing. However, in the case of Cyber Security, there are a few challenges to get the work done from offshore for government sector customers. Both the subsidiaries have marquee customers and have earned a reputation in their markets. Going ahead the effort is going to be on introducing new services in these subsidiaries and taking some of their products and services global.

E. RISK MANAGEMENT

The Audit committee continues to provide the guidance to the company in terms of ascertaining the risk factors as applicable to the company's business and providing the direction to assess and mitigate the same. The company periodically assesses the risks involved in the business and reports to the Board for them to take necessary steps in mitigating them.

F. DETAILED REVIEW OF FINANCIAL PERFORMANCE

The financial statements are prepared in compliance with the Companies Act, 2013 and Generally Accepted Accounting Principles in India (Indian GAAP).

The following table gives an overview of the financial results of the company on a consolidated basis

Consolidated profit and loss account of Accel Frontline Limited	FY 2016		FY 2015	
	In ₹ Lakhs	%	In ₹ Lakhs	%
Revenue from operations	51,105	100%	48,587	100%
Costs				
Materials/Service of costs	27,508	54%	25,533	53%
Employee costs	13,866	27%	11,669	24%
Other costs	8,422	16%	6,467	13%
Total costs	49,795	97%	43,669	90%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,310	3%	4,919	10%
Other Income	188	0%	148	0%
Finance Costs	2,083	4%	2,257	5%
Depreciation and Amortisation Expenses	1,262	2%	1,203	2%
Profit before tax and prior period items(PBT)	(1,848)	-4%	1,607	3%
Prior period / exceptional items	11,465	22%	1,505	3%
Total tax Expense	370	1%	(216)	0%
Profit after tax (PAT)	(13,683)	-27%	318	1%

G. REVENUE ANALYSIS

BUSINESS MIX	FY 2016	FY 2015
SI - System Integration	51%	56%
IMS - Infrastructure Management Services	28%	22%
SS - Software Services	16%	16%
WMS - Warranty Management Services	4%	5%
Training	1%	1%

H. ANALYSIS OF BUSINESS BY SERVICE

The Systems Integration business continues to have a significant share in the revenue of the Company. While the margins continue to be under pressure, the need for more storage capacity in India will continue to drive this business segment. There is a conscious effort to not participate in opportunities with low margins. Selective participation in opportunities will ensure that the business is more profitable than before, however this could result in restricting growth. This will help the Company as the working capital requirement will reduce, thereby reducing the finance cost. However, at times the IMS business is dependent on IIS and it may become necessary to participate in low margin opportunities. In the financial year IIS share of the revenue reduced by 5% compared to the previous year. This also enabled the Company to reduce its finance cost to a certain extent.

The Company's focus is on increasing its IMS business which is having better margins than IIS. In the financial year the share of the IMS revenue went up 6% compared to the previous year. More than 60% of the IMS business is predictable. The rise in revenue share of IMS with decline in the revenue share of IIS shows that some success has been achieved in delinking of IIS and IMS. New service offerings have also helped increase the service revenue.

SSD is the main export revenue earner in the Company. The present market it caters to is North America and Japan. The service offerings for these markets are predominantly in the product engineering space from TSG. The vast portfolio of services under SSD has to be promoted globally through all the subsidiaries and not only be limited to North America and Japan. Application development and maintenance has to be strengthened. The revenue share of SSD in the financial year compared to the previous year has remained flat. The primary reason for this is due to loss of a few accounts in North America and delay in decision making at client end.

Although the WMS revenue share has decreased only by 1% compared to the previous financial year, the WMS business has been on decline for the past few years. The main reason for this is due to the reduction in volume of hard disks of one of the biggest principal of WMS. The hard disks and computer peripherals market is declining globally with lower sales volumes of personal computers due to a flood of tablets and smart phones. The business is dependent on certain volumes which if not achieved could result in loss. There is a minimum fixed costs of operations that can only be covered if the revenue increases. Considering the market condition and our current capabilities it may take some time before WMS business recovers.

I. HUMAN RESOURCE MANAGEMENT.

The company has employed 2606 people spread across the country and various operating divisions. It follows a process of identifying the appropriate resource for the business needs and have in place policies for nurturing and retaining talent to sustain the growth of the company. It has also understood the need of training the manpower to help them face the technological advancements to keep them abreast of the changes. The company is in the process of identifying talent within the organization to groom them to take responsibilities in the future.

J. DEPRECIATION AND AMORTIZATION

The Company has been following straight-line basis of depreciation and has depreciated assets based on the rates mentioned in the Companies Act. In respect of application software, estimated useful life of the assets is taken as 7 years and has accordingly amortized the value of the software assets capitalized. Intangible asset in the form of goodwill is being amortized over a period of ten years.

K. FINANCING COSTS

The company had obtained working capital loans from Japanese banks at a much lower cost on account of guarantees from the holding company from Japan. This has reduced the overall interest costs to the company.

L. TAXATION

The Company has not provided any amount for taxation on standalone basis in view of the book losses. Deferred taxes have been provided based on unabsorbed book losses. The Subsidiary Company in Dubai has no tax liability on account of losses as well as taxation policy of the country. Provisions for taxation has been made in the Singapore subsidiary.

The Consolidated Balance Sheet of Accel Frontline Limited is given below:

₹ in lakhs

Consolidated balance sheet of Accel Frontline Limited		
	31-Mar-16	**31-Mar-15**
Shareholders' funds		
Share capital	2,976	2,976
Minority interest	1,825	900
Reserves and surplus	(5,246)	9,119
	(445)	**12,995**
Non-current liabilities		
Long term borrowings	6,630	7,070
Deferred tax liability	95	-
Long-term provisions	943	605
	7,668	**7,675**
Current liabilities		
Short-term borrowings	14,626	12,744
Trade payables	6,452	6,632
Other current liabilities	6,771	5,402
Short-term provisions	262	98
	28,110	**24,876**
Total	**35,334**	**45,546**
Fixed assets (net total including capital work in progress)	3,536	5,278
Intangible assets on consolidation	1,093	1,464
Deferred Tax Asset	-	61
Long-term loans and advances	4,773	5,827
Other non current assets	735	1,329
	10,138	**13,959**
Current assets		
Inventories	3,647	4,094
Trade receivables	15,269	20,103
Cash and bank balances	3,576	4,035
Short-term loans and advances	2,197	1,380
Other current assets	507	1,975
	25,195	**31,587**
Total	**35,334**	**45,546**

Key highlights

A. Equity and Reserves

The Equity capital of the Company remained unchanged during the year. Due to losses on account of prior period and exceptional items, the company's reserves were utilised resulting in a negative net worth.

B. Borrowings

The Long Term Borrowings of the Company remained the same except for exchange fluctuations on the External Commercial Borrowings accounted for. The holding company in Japan have also provided a guarantee to a bank at India and at Dubai to help the Company and its subsidiary avail working capital facilities.

The short term working capital increased by ₹ 1,117/- lakhs due to temporary borrowings from banks to augment the working capital requirements in the form of letter of credits for business supplies.

C. Receivables Management

During the financial year, the company had appointed an independent consultant to verify the quality of trade receivables and based on their report, had provided/ written off amounts identified by the report as exceptional items/ prior period items. Apart from the same, the company has written off /provided for bad debts of ₹ 1,794/- lakhs during the financial year. The Company is taking necessary steps to strengthen the internal controls on receivables and are also taking steps to initiate a process of reconciliation/ confirmation from the customers.

D. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

For and on behalf of the Board

Place: Chennai	**R.Ramaraj**	**Malcolm F. Mehta**
Date : 21st October, 2016	**Director**	**Executive Director**

ANNEXURE-III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption to run its various offices and therefore the scope of energy conservation is limited. The Company has means and processes to constantly monitor the usage of power and optimize the same to the extent possible.

B. TECHNOLOGY ABSORPTION

The Company is constantly upgrading and adapting new technologies to meet the technology challenges.

C. RESEARCH AND DEVELOPMENT (R&D)

During the year under review, the company has not initiated any new R&D activity.

D. FOREIGN EXCHANGE EARNING AND OUTGO

The complete details regarding Foreign Exchange Earnings and Outgo are being mentioned in the notes to the accounts.

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L30006TN1995PLC031736
ii.	Registration Date	8th June, 1995
iii.	Name of the Company	Accel Frontline Limited
iv.	Category/Sub-Category of the Company	Information Technology
v.	Address of the Registered office and contact details	No.75, Nelson Manickam Road, Aminjikarai, Chennai 600 029 Tel: 044-42252000 Fax: 044-23741271 Email: info@accelfrontline.com Website: www.accelfrontline.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Linkintime (India) Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: 022-25946970 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Systems Integration	99831326	42
2	Infrastructure Management Service	99831326	37
3	Software Services	99831512	15
4	Warranty Management Services	99831323	6

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CAC Holdings Corporation 24-1, Hakozaki-cho, Nihonbashi Chuo-ku, Tokyo 103-0015, Japan.	N.A	Holding	60.00%	2(46)
2.	Accel Limited No. 124, 3rd Floor, Nelson Manickam Road, Aminjikarai, Chennai 600 029.	U29309TN1991PLC020471	Holding	14.38%	2(46)
3.	Accel Systems Group Inc., 2050 Marconi Dr Ste 300 Alpharetta, GA, 30005 United States (770) 934-3995	N.A	Holding	0.62%	2(46)
4.	Accel IT Resources Limited Chateau D' Ampa, 5th Floor, No. 37, Nelson Manickam Road, Aminjikarai Chennai - 600 029.	U80903TN2007PLC062824	Subsidiary	100%	2(87)
5.	Accel Systems & Technologies Pte. Ltd. Singapore. 22 Kallang Ave, #03-04 Singapore – 339413.	N.A	Subsidiary	51.00%	2(87)
6.	Accel Frontline DMCC, Dubai (formerly Accel Frontline JLT) Office No.505 & 506 Fortune Executive Towers, PO Box: 488019 Jumeirah Lake Towers, Dubai, UAE	N.A	Subsidiary	100%	2(87)
7.	Network Programs (Japan) Inc., USA 1430, Broadway, Suite No. 1805, New York, NY - 10018, USA	N.A	Subsidiary	100%	2(87)
8.	Network Programs (USA) Inc., USA 1430, Broadway, Suite No. 1805, New York, NY - 10018, USA	N.A	Subsidiary	100%	2(87)
9.	Accel Japan KK, Japan 4F, Dai 2 Kounan Hirose Building, 3-5-24 Kounan Minato-ku, Tokyo – 108-0075, Japan	N.A	Subsidiary	100%	2(87)
10.	Accel North America Inc., USA 4633 Old Ironsides Drive, Ste 400 Santa Clara, CA 95054	N.A	Subsidiary	100%	2(87)
11.	Accel Technologies Ltd., UK 268, Bath Road, Slough, Berkshire SL1 4DX	N.A	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2015)				No.of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/ HUF	0	0	0	0	0	0	0	0	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp	4,368,768	0	4,368,768	14.68	4,281,194	0	4,281,194	14.38	(0.30)
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**4,368,768**	**0**	**4,368,768**	**14.68**	**4,281,194**	**0**	**4,281,194**	**14.38**	**(0.30)**
2. Foreign									
g. NRIs- Individuals	0	0	0	0	0	0	0	0	0
h. Other- Individuals	0	0	0	0	0	0	0	0	0
i. Bodies Corp.	18,040,210	0	18,040,210	60.62	18,040,210	0	18,040,210	60.62	0
j. Banks / FI	0	0	0	0	0	0	0	0	0
k. Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**18,040,210**	**0**	**18,040,210**	**60.62**	**18,040,210**	**0**	**18,040,210**	**60.62**	**0**
Total Shareholding of promoter (A) = (A) (1) + (A) (2)	**22,408,978**	**0**	**22,408,978**	**75.29**	**22,321,404**	**0**	**22,321,404**	**75.00**	**(0.29)**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	630,276	0	630,276	2.12	358,953	0	358,953	1.21	(0.91)
b. Banks / FI	164,612	0	164,612	0.55	29,890	0	29,890	0.10	(0.45)
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0		0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**794,888**	**0**	**794,888**	**2.67**	**388,843**	**0**	**388,843**	**1.31**	**(1.36)**

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2015)				No.of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a. Bodies Corp.									
(i) Indian	1,714,422	0	1,714,422	5.76	1,601,057	0	1,601,057	5.38	(0.38)
(ii) Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,084,452	75,707	2,160,159	7.26	2,937,313	71,507	3,008,820	10.11	2.85
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,015,520	0	2,015,520	6.77	1,507,683	0	1,507,683	5.07	(1.70)
c) Others (Specify)									
i) Clearing Member	331,469	0	331,469	1.11	178,823	0	178,823	0.60	(0.51)
ii) Non Resident Indians (REPAT)	314,404	5,350	319,754	1.07	320,953	5,350	326,303	1.10	0.03
iii) Non Resident Indians (NON REPAT)	16,583	0	16,583	0.06	21,384	0	21,384	0.07	0.01
iv) Trusts	100	0	100	0.00	100	0	100	0.00	0
v) Hindu Undivided family	0	0	0	0	407,456	0	407,456	1.37	1.37
Sub-total (B)(2)	**6,476,950**	**81,057**	**6,558,007**	**22.03**	**6,974,769**	**76,857**	**7,051,626**	**23.69**	**1.66**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**7,271,838**	**81,057**	**7,352,895**	**24.71**	**7,363,612**	**76,857**	**7,440,469**	**25.00**	**0.29**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**29,680,816**	**81,057**	**29,761,873**	**100**	**29,685,016**	**76,857**	**29,761,873**	**100**	**0**

Note: Percentage in bracket represents negative percentage.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01-04-2015)			Shareholding at the end of the year (31-03-2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	CAC Holdings Corporation	17,857,125	60.00	0	17,857,125	60.00	0	0
2	Accel Limited	4,368,768	14.67	0	4,281,194	14.38	0	(0.29)
3	Accel Systems Group Inc.	183,085	0.62	0	183,085	0.62	0	0
	Total	**22,408,978**	**75.29**	**0**	**22,321,404**	**75.00**	**0**	**(0.29)**

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	22,408,978	75.29	22,408,978	75.29
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 1. 12/08/2015 - OFS by promoters.	87,574	(0.29)		
3	At the End of the year	22,321,404	75.00	22,321,404	75.00

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Name of the Shareholder	Shareholding at the Beginning of the year 01.04.2015		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of the Total shares of the company	No. of Shares	% of the Total shares of the company
1	**RAJASTHAN GLOBAL SECURITIES PVT. LIMITED**				
	At the Beginning of the year	630,251	2.12	630,251	2.12
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	85,281	0.29		
	At the End of the year (or on the date of separation, if separated during the year.	715,532	2.40	715,532	2.40
2	**ASHWIN DUNGERSHI DEDHIA**				
	At the Beginning of the year	292,227	0.98	292,227	0.98
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year (or on the date of separation, if separated during the year.	292,227	0.98	292,227	0.98
3.	**GANESH R** **UMAMAHESWARI R**				
	At the Beginning of the year	191,360	0.64	191,360	0.64
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	13,000	(0.04)		
	At the End of the year (or on the date of separation, if separated during the year.	178,360	0.60	178,360	0.60
4.	**KANTA DUNGERSHI DEDHIA**				
	At the Beginning of the year	94,892	0.32	94,892	0.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	51,893	0.17		
	At the End of the year (or on the date of separation, if separated during the year.	146,785	0.49	146,785	0.49

5.	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES I**				
	At the Beginning of the year	207,672	0.70	207,672	0.70
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	70,094	0.24		
	At the End of the year (or on the date of separation, if separated during the year.	137,578	0.46	137,578	0.46
6.	**RUIA INDUSTRIES PVT. LTD.**				
	At the Beginning of the year	134,554	0.45	134,554	0.45
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	4,739	0.01		
	At the End of the year (or on the date of separation, if separated during the year.	129,815	0.44	129,815	0.44
7.	**SATISH GOPAL KRISHNAN PILLAI**				
	At the Beginning of the year	116,202	0.39	116,202	0.39
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	0	0		
	At the End of the year (or on the date of separation, if separated during the year.	116,202	0.39	116,202	0.39
8.	**PRAFUL MEHTA DEEPAK MEHTA**				
	At the Beginning of the year	109,521	0.37	109,521	0.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	(1,021)	(0.01)		
	At the End of the year (or on the date of separation, if separated during the year.	108,500	0.36	108,500	0.36
9.	**SATISH GOPAL KRISHNAN PILLAI**				
	At the Beginning of the year	106,573	0.35	106,573	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	691	0.01		
	At the End of the year (or on the date of separation, if separated during the year.	107,264	0.36	107,264	0.36
10.	**KANCHAN DUNGERSHI DEDHIA ASHOK DUNGERSHI DEDHIA**				
	At the Beginning of the year	104,463	0.35	104,463	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	2,341	0.01		
	At the End of the year (or on the date of separation, if separated during the year.	106,804	0.36	106,804	0.36

*** It is not feasible to track movement of shares on daily basis. The changes are because of market transactions.**

The above details are given as on 31st March, 2016. The Company is listed and 99.74% shareholding is in dematerialized form.

The aforesaid holdings by top Ten Shareholders is due to market operations.

v. Shareholding of Directors and Key Managerial personnel

Directors and Key Managerial Personnel do not have any shareholding in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2015				
i) Principal Amount	12,483	5,015	NIL	17,498
ii) Interest due but not paid	73	0	NIL	73
iii) Interest accrued but not due	0	30	NIL	30
Total (i+ii+iii)	**12,556**	**5,045**	**NIL**	**17,601**
Change in Indebtedness during the financial year				
- Addition	1,508	253	NIL	1,761
- Reduction	0	0	NIL	0
Net Change	**1,508**	**253**	**NIL**	**1,761**
Indebtedness at the end of the financial year 31-03-2016				
i) Principal Amount	13,991	5,268	NIL	19,259
ii) Interest due but not paid	43	0	NIL	43
iii) Interest accrued but not due	0	67	NIL	67
Total (i+ii+iii)	**14,034**	**5,335**	**NIL**	**19,369**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager **(₹ in Lakhs)**

Sl. No.	Particulars of Remuneration	Mr. N.R.Panicker Executive Chairman (Upto 20/03/2016)	Mr. Malcolm F. Mehta Executive Director (*)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	89.09	182.40	271.49
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	31.31	116.38	147.69
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify – Retirement Benefits	3.32	2.64	5.96
	Total (A)	**123.72**	**301.42**	**425.14**
	Ceiling as per the Act	Minimum Remuneration	Not applicable	-

(*) M/s CAC Holdings Corporation, Japan is reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F. Mehta.

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Mr. R. Ramaraj	Ms. Ruchi Naithani	Mr. Raj Khalid	Total (₹ in Lakhs)
1.	**Independent Directors** • Fee for attending board/ committee meetings	9.60	9.00	9.00	27.60
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total(1)	**9.60**	**9.00**	**9.00**	**27.60**
2.	**Other Non-Executive Directors**				**Total (₹ in Lakhs)**
	• Fee for attending board/ committee meetings	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	**0.00**	**0.00**	**0.00**	**0.00**
	Total (B) = (1+2)	**9.60**	**9.00**	**9.00**	**27.60**
	Total Managerial Remuneration (A)				**425.14**
	Total Remuneration (A+B)				**452.74**
	Overall Ceiling as per the Act	Not applicable			

C. Remuneration to Key Managerial Personnel other than MD/Manager /WTD

Sl. no.	Particulars of Remuneration	Chief Financial Officer (CFO) (w.e.f 09/06/2015)	Company Secretary (CS)	Total (₹ in Lakhs)
1	Gross Salary (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	35.82	7.64	43.46
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.18	0	0.18
	(c) Profits in lieu of salary under section 17 (3) of Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0 0	0 0	0 0
5	Others, please specify Retirement Benefits	0.88	0.35	1.23
	Total	**36.88**	**7.99**	**44.87**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalities /punishment/ compounding of offences for the year ending 31st March, 2016.

CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organization. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times. Good Governance practices stem from the dynamic culture and positive mindset of the organization.

A Report on Compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is given below:

GOVERNANCE STRUCTURE

The Company's Governance structure comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. The Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these corporate objectives within a given framework.

Board of Directors - The Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth.

Committee of Directors - Recognizing the immense contribution that committees makes in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facts of the business, the Board has constituted the following Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, which are mandatory Committees.

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of Strategic Business Units. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit.

1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the Company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is appraised of the actions taken.

1.3 Selection and Appointment of new Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines issued by AFL eminent persons having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships, memberships and chairmanships in various committees of other companies by such persons is also considered.

1.4 Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

1.5 Familiarization Program of Independent Directors

The Independent Directors of AFL are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wider range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, annual Reports and internal policies available at our website www.accelfrontline.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/ Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors. The details of familiarization programs imparted to the Independent Directors is disclosed in the Company's website www.accelfrontline.com.

1.6 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, a Securities Dealing Code "Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" for Prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, all Officers / Designated Employees and Directors are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All Specified Persons who buy or sell any number of shares of the Company does not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. The aforesaid Code is available at the website of the Company www.accelfrontline.com.

1.7 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for Directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the `Vigil Mechanism Policy' uploaded at the website of the Company www.accelfrontline.com.

2. Board of Directors

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. During the year, information as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been placed before the Board for its consideration from time to time as and when required. Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

2.1 Composition of Board

The Board of the Company consists of two Executive Directors, of which one Mr. N.R. Panicker retired on 31st March, 2016. One Non Executive Director and three Independent Directors including one Woman Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and view points.

All Present directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

2.2 Non-Executive Independent Directors' compensation and disclosures

The Non-Executive Independent Directors are paid sitting fee within the limits prescribed under Section 197 of the Act and the rules made thereon. The Non-Executive Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2015-2016.

Independent Directors are not serving as Independent Directors in more than seven listed companies. None of Directors of the Company hold the position as Whole Time Director in Company itself nor serve as Independent Director in more than three listed companies.

2.3 Other provisions as to Board and Committees

The Board comprises of Mr. N.R. Panicker as Executive Chairman (suspended from his position as Executive Chairman on 20th March, 2016 and retired as Director on 31st March, 2016), Mr. Malcolm F. Mehta as Executive Director, Mr. Bing Cheng as Non-Executive Director and Mr. R. Ramaraj, Ms. Ruchi Naithani and Mr. Raj Khalid as Independent Non- Executive Directors. Eleven (11) meetings of the Board of Directors were held on 5th May, 2015, 9th June, 2015, 4th August, 2015, 18th September, 2015, 2nd November, 2015, 1st December, 2015, 28th December, 2015, 27th January, 2016, 9th February, 2016, 14th March, 2016 and 20th March, 2016. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 have been made by the Directors as per Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 25th September, 2015, with particulars of their Directorships, Chairmanship and Membership of Board Committees of the companies showing the position as on 31st March, 2016 are given below:

Name of the Director	Category as at 31-03-2016	No. of Board Meetings attended Out of 11 meetings held as on 31-03-2016	Attendance at the last AGM held on 25-09-2015	No. of Directorship held in Indian Public Limited Companies (excluding Accel Frontline Limited)	Committee/s position as on 31-03-2016 (All companies excluding Accel Frontline Limited)	
					Member	Chairman
Mr. N.R. Panicker(*)	Executive Chairman	08	Yes	04	02	0
Mr. Malcolm F. Mehta	Executive Director	11	Yes	01	0	0
Mr. R. Ramaraj	Non Executive Independent	11	Yes	04	03	01
Mr. Bin Cheng	Non Executive Non Independent	10	Yes	0	0	0
Ms. Ruchi Naithani	Non Executive Independent	10	No	0	0	0
Mr. Raj Khalid	Non Executive Independent	11	No	0	0	0

(*) Suspended from his position as Executive Chairman on 20th March, 2016 and retired as Director on 31st March, 2016.

Other directorships do not include alternate directorships, directorships of private limited companies and Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and foreign companies.

Chairmanships/Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

2.4 Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for Board of Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company www.accelfrontline.com

(ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2016. The Annual Report of the Company contains a Certificate signed by the Executive Directors in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the compliance declarations received from Directors and Senior Management.

2.5 Board's functioning & Procedure

The AFL Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behavior at all times and strict compliance with laws and regulations.

The Agenda placed at the Meetings of the Board include the following:

- Report on operations of the company;
- Annual Operating Plans and budgets;
- Opportunities for organic and inorganic growth;
- Business Plans and analysis of variances periodically as compared to the plans;
- The quarterly/half yearly financial results and the annual accounts of the company, both consolidated and on standalone for consideration and approval;
- Minutes of the meetings of audit committee and other committees.
- Status of borrowings and details of material foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement;
- Delegation of powers to the operational management;
- Review of compliance reports pertaining to all laws applicable to the company, as well as steps taken by the company to rectify instances of non-compliances.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any;
- Sale of investments, subsidiary, assets which are material in nature and not in normal course of business.

- Information on senior appointments below the board level including the appointment / removal of the Chief Financial Officer (CFO) and the Company Secretary;
- Proposals for joint ventures/collaborations;
- Non-compliance of any regulatory, statutory or listing requirements.
- Material communication from government including show cause notices, demand, prosecution, notices and penalty notices, if any, which are materially important;
- Communication to Stock Exchanges and the shareholders regarding company's performance, future plans and other decision/changes of significant importance or of price sensitive nature;
- Various Quarterly/Half Yearly Stock Exchange compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the items on the Agenda are accompanied by notes giving information on the related subject. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the meetings of the Board are circulated to all Directors and confirmed at the subsequent Board Meeting.

2.6 Details of Board Meetings held upto 31/03/2016 and the number of Directors present

Sr. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors Present
1.	05/05/2015	06	06
2.	09/06/2015	06	06
3.	04/08/2015	06	06
4.	18/09/2015	06	06
5.	02/11/2015	06	04
6.	01/12/2015	06	05
7.	28/12/2015	06	05
8.	27/01/2016	06	06
9.	09/02/2016	06	06
10.	14/03/2016	06	05
11.	20/03/2016	06	06

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the three Non-Executive Directors, out of which two are Independent Directors;

(ii) All members of the Committee are financially literate and having the requisite financial management expertise;

(iii) The Chairman of the Audit Committee is an Independent Director;

(iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 25th September, 2015.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- Oversight of Company's Financial reporting process and the disclosure of its financial information;
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing with the Management, the annual financial statements and Auditors' report thereon;
- Matters to be included in the Directors' Responsibility statement to be included in the Boards' Report;
- Changes, if any, in the accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and legal requirements relating to financial statements;
- Approval or subsequent modification of transactions of the company with related parties;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of Inter Corporate Loans and investments;
- Evaluation of Internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post audit discussions to a certain any area of concern;
- To review the functioning of whistle blower mechanism;

(C) Composition, names of Members and Chairperson, its meetings and attendance:

The Composition of the Committee is :

Mr. R. Ramaraj	Chairman
Ms. Ruchi Naithani	Member
Mr. Bin Cheng	Member

During the year, 8 (Eight) Audit Committee meetings were held on 05th May, 2015, 09th June, 2015, 04th August, 2015, 02nd November, 2015, 27th November, 2015, 27th January, 2016, 14th March, 2016 and 20th March, 2016.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Mr. R. Ramaraj	Independent	08	08
Ms. Ruchi Naithani	Independent	08	08
Mr. Bin Cheng	Non Executive Non Independent	08	06

The Committee meetings are attended by invitation by the Chief Financial Officer, representatives of the Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

3.2 Nomination and Remuneration Committee

(A) Constitution

The Nomination and Remuneration Committee comprises of :

Ms. Ruchi Naithani	Chairperson
Mr. Raj Khalid	Member
Mr. Bin Cheng	Member

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the board their appointment and removal;
- Formulation of criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors.

(C) Meetings and attendance during the year:

During the year 06 (Six) meetings of Nomination and Remuneration Committee were held on 05th May, 2015, 09th June, 2015, 04th August, 2015, 18th September, 2015, 02nd November, 2015 and 27th January, 2016.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Ms. Ruchi Naithani	Independent	06	06
Mr. Raj Khalid	Independent	06	06
Mr. Bin Cheng	Non Executive Non Independent	06	04

(D) Nomination and Remuneration policy

The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Nomination and Remuneration Policy approved by the Board of Directors was posted on the website of the Company www.accelfrontline.com.

(E) Performance evaluation of Independent Directors

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission, if any, payable to them based on Board structure, their commitment towards attending the meetings of the Board/Committees, contribution, Board culture and dynamics, internal controls, governance, their attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them.

(F) Remuneration to Executive Chairman and Executive Director

(a) Mr. N.R. Panicker, was the Executive Chairman (upto 20th March, 2016) of the Company. The salary, benefits and perquisites paid to Mr. N.R. Panicker, Executive Chairman were ₹ 123.72 Lakhs.

(b) Mr. Malcolm F. Mehta, is the Executive Director of the Company. The salary, benefits and perquisites paid to Mr. Malcolm F. Mehta were ₹ 301.42 Lakhs. M/s. CAC Holdings Corporation, Japan is reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F. Mehta.

(G) Remuneration to Non-Executive Directors

(a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings as detailed below.

Board Meeting	₹ 60,000/- per meeting
Audit Committee	₹ 20,000/- per meeting
Nomination and Remuneration Committee	₹ 20,000/- per meeting
Stakeholders' Relationship Committee	₹ 20,000/- per meeting
Independent Directors Committee	₹ 20,000/- per meeting

The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Payment of Sitting Fee to the Non-Executive Directors for the year ended 31st March, 2016 are as under:

Name of Director	Sitting Fee (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
Mr. R. Ramaraj	9.60	Nil	9.60
Ms. Ruchi Naithani	9.00	Nil	9.00
Mr. Raj Khalid	9.00	Nil	9.00

Notes:

(i) The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

(ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Stakeholders Relationship Committee

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of:

Mr. Raj Khalid	Chairman
Mr. R. Ramaraj	Member
Mr. Bin Cheng	Member

The Committee is set to consider and resolve the grievances of the shareholders. The Committee also recommends measures for overall improvement of the quality of Investor services.

During the year, 4 (Four) meetings of the Stakeholders Relationship Committee were held on 05th May, 2015, 04th August, 2015, 02nd November, 2015 and 27th January, 2016.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Mr. Raj Khalid	Independent	04	04
Mr. R. Ramaraj	Independent	04	04
Mr. Bin Cheng	Non Executive Non Independent	04	03

(B) Annual Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship committee respectively. The inputs received from directors covering various aspects of the Board functioning such as adequacy of the composition of the Board and its committees, governance, Internal controls and financial reporting was considered.

To evaluate the performance of the individual directors the Board considered the criteria of attendance and level of participation, independence of judgment exercised by Independent Directors, independent relationship etc.

(C) Separate Meeting of Independent Directors

During the year under review, the Independent Directors met on 14th March, 2016 inter alia to:

➢ Review the Performance of Non-Independent Directors and the Board of Directors as a whole;

➢ Review the Performance of the Chairperson of the Company, taking into account the views of the Executive and Non- Executive Directors.

➢ Assess the quality, quantity and time liness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting without the presence of Non-Independent Directors and members of the Management**.**

(D) Name and Designation of the Compliance Officer

Mrs. Sweena Nair, Company Secretary been designated as Compliance Officer of the Company in line with the requirement of Listing Regulations and can be contacted at:

Accel Frontline Limited
No. 75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
Tel : 044-42252071 / Fax : 044-23741271
Email : sweena.nair@accelfrontline.com;
nagaraj.v@accelfrontline.com

(E) Complaints received and redressed during the year 2015-16.

Opening Balance	Received during the year 2015-2016	Resolved during the year 2015-2016	Closing Balance
0	1	1	0

(F) Suspense Account for the unclaimed shares

Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the requisite information is given below:

Aggregate No. of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	No. of shareholders who approached issuer for transfer of shares from suspense account during the year	No. of Shareholders to whom shares were transferred from suspense account during the year	Aggregate No. of shareholders and the outstanding shares in the suspense account during the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(I)	(II)	(III)	(IV)	(V)
6 shareholders holding 894 shares	NIL	NIL	6 shareholders holding in aggregate 894 shares	The company ensures that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

(G) Transfer of Unclaimed Dividend to IEPF

Pursuant to provisions of Section 124 of the Companies Act, 2013 an amount of ₹ 107,785/- and ₹ 82,438/- was transferred to Investors Education and Protection Fund (IEPF) during the year.

(H) Unclaimed Dividend

Year-wise list of the Shareholders who have not claimed their dividend is posted at website of MCA as well as website of the Company in line with MCA Circular.

(I) Subsidiary Company

(i) The Company have One Indian Subsidiary Company.

(ii) The Financial Statements of the unlisted foreign subsidiary companies are being placed before the Board.

4. Disclosures

(A) Basis of related party transactions

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

(iv) The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.accelfrontline.com.

(B) Disclosure of Accounting Treatment

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

(E) Secretarial Audit Report

The Company has obtained Secretarial Audit Report from the Company Secretary in Practice for compliance with Section 204 (1) of the Companies Act, 2013. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(F) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(G) Shareholders

(i) The financial results are put on the Company's website www.accelfrontline.com under the Investors Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depositary Participant.

(iii) In accordance with Section 149 and other applicable provisions of the Companies Act, 2013, Mr. R. Ramaraj (DIN: 00090279) was re-appointed as an Independent Director for a further period of three years i.e. from 31st October, 2015 to 30th October, 2018.

(iv) Mr. Bin Cheng (DIN:06913491) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

5. Compliance on Corporate Governance

The quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

6. Mandatory and Non-Mandatory requirements.

The Company has complied with all the applicable mandatory requirements as provided in SEBI (LODR) Regulations, 2015.

The status on the compliance with the non-mandatory recommendation as specified in Part E of Schedule II of SEBI (LODR) Regulations,2015 is as under:

(i) **The Board**

The requirement regarding the Non-Executive Chairman is not applicable.

(ii) **Shareholder Rights**

The Company's financial results are published in the News paper as per the Listing Requirements and also posted in the Company's website at www.accelfrontline.com alongwith other important events.

(iii) **Modified opinion(s) in audit report**

There are Audit qualifications in the Financial Statements of the Company for the Year 2015-2016 and the comments to the qualifications are mentioned in the Directors Report.

(iv) **Separate posts of chairperson and chief executive officer**

The Company may appoint separate persons to the post of Chair person and Managing Director or Chief Executive Officer.

(v) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

7. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years:

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2013	12.08.2013	"Rajah Sir Annamalai Chettiar Memorial Trust Hall (Rani Seethai Hall), Mount Road, Chennai - 600 001.	11.00 A.M.	Yes(*)
2014	11.09.2014	Narada Gana Sabha Trust Mini Hall, 314, TTK Road, Chennai - 600 018.	11.00 A.M.	Yes(*)
2015	25.09.2015	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 018.	11.00 A.M.	No

This space is intentionally left blank

(*) Special Resolution passed in the previous AGM

Year	Purpose
2013	Appointment of Auditors M/s. K.S. Aiyar & Co., Chartered Accountants.
2014	➢ Appointment of Auditors M/s. Walker Chandiok & Co., LLP, Chartered Accountant. ➢ Appointment of Mr. Malcolm F. Mehta as an Executive Director. ➢ Appointment of Mr. Masaaki Miura as an Independent Director. ➢ Re-appointment of Mr. N.R. Panicker as an Executive Chairman. ➢ Adoption of new set of Articles of Association of the Company. ➢ Approval for Related party Transactions with M/s. CAC Holdings Corporation, Japan to reimburse the cost and other expenses incurred by the company for the employment of Mr. Malcolm F. Mehta.

(B) Special Resolution Passed at Extra Ordinary General Meeting:

An Extra Ordinary General Meeting of the shareholders of the Company was held on 8th January, 2014 at 10.30 A.M. at Pearl Hall, First Floor, "The Aruna Chennai" 144-145, Sterling Road, Chennai-34 for the approval of shareholders :

- ➢ for alteration of Articles of Association of the Company by altering/amending/substituting suitably by inserting/ deleting and amending the Articles of the Company and
- ➢ To raise additional funds through further issue of securities by way of preferential allotment.

(C) Means of Communication

The Company's website is a comprehensive reference on AFL's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Pattern, information relating to Stock Exchanges, Registrars & Share Transfer Agents, list of shareholders who have not claimed their dividends to comply with MCA Guidelines.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, annual report and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly results and in which news paper normally published in	Mint and Makkal Kural
Any website where displayed	Yes. It is published in the Company's website www.accelfrontline.com under Investors Section

General Shareholder Information

(i) Annual General Meeting:

Date	Monday, 28th November, 2016
Time	9.00 A.M.
Venue	"The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 018.

(ii) Financial Year : April to March

Financial Calendar (Tentative)

Results for quarter ending 30th June, 2016	Mid August, 2016
Results for quarter ending 30th September, 2016	Mid November, 2016
Results for quarter ending 31st December, 2016	Mid February, 2017
Results for year ending 31st March, 2017	End May, 2017

(iii) Book Closure

Date of Book Closure	22nd November, 2016 (Tuesday) to 28th November, 2016 (Monday) (both days inclusive).

(iv) Listing on Stock Exchanges and Stock Code / Symbol.

Name of Stock Exchange	Stock Code / Symbol
The National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	AFL
The Bombay Stock Exchange Ltd. Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001.	532774
ISIN Number – INE020G01017	

The Annual Listing fees for the year 2016-2017 have been paid to the concerned Stock Exchanges.

(v) Market price information

a. **The reported high and low price during each month in last financial year on National Stock Exchange and BSE, are given below:**

Month	B S E		N S E	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	85.90	65.90	85.75	65.25
May 2015	76.95	61.05	78.35	61.20
June 2015	75.25	65.20	75.00	65.15
July 2015	124.80	72.10	124.65	71.05
August 2015	113.50	59.10	112.90	58.05
September 2015	76.00	58.20	75.00	58.20
October 2015	97.00	65.70	96.95	65.55
November 2015	85.00	69.05	85.00	67.55
December 2015	92.85	68.00	92.90	66.10
January 2016	92.70	65.10	92.45	64.50
February 2016	73.25	37.20	73.40	37.05
March 2016	61.50	41.00	61.50	41.10

b. Performance in comparison to broad-based indices such BSE Sensex, CRISIL Index etc.

(i) AFL share price on BSE vis-à-vis BSE Sensex April – March 2016.

Month	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2015	27,011.31	85.90	65.90	70.75	309,814	235.64
May 2015	27,828.44	76.95	61.05	72.15	214,212	155.31
June 2015	27,780.83	75.25	65.20	73.80	70,571	50.20
July 2015	28,114.56	124.80	72.10	102.55	1,138,470	1,178.44
August 2015	26,283.09	113.50	59.10	68.70	724,749	615.64
September 2015	26,154.83	76.00	58.20	67.00	246,072	164.07
October 2015	26,656.83	97.00	65.70	83.30	553,885	467.58
November 2015	26,145.67	85.00	69.05	77.85	287,933	218.86
December 2015	26,117.54	92.85	68.00	90.10	425,179	347.83
January 2016	24,870.69	92.70	65.10	71.00	340,818	272.76
February 2016	23,002.00	73.25	37.20	41.10	407,568	203.51
March 2016	25,341.86	61.50	41.00	50.50	361,819	187.15

(ii) AFL share price on NSE vis-à-vis Nifty 100 Close price April – March 2016.

Month	Nifty 100 Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2015	8,239.55	85.75	65.25	70.75	487,118	373.25
May 2015	8,499.85	78.35	61.20	72.40	298,281	217.01
June 2015	8,440.95	75.00	65.15	73.85	153,666	110.13
July 2015	8,645.85	124.65	71.05	103.00	2,693,083	2,851.92
August 2015	8,119.55	112.90	58.05	69.20	1,631,623	1,384.00
September 2015	8,068.00	75.00	58.20	67.15	636,076	427.62
October 2015	8,175.85	96.95	65.55	83.20	1,064,831	892.42
November 2015	8,057.20	85.00	67.55	77.75	477,725	365.17
December 2015	8,090.90	92.90	66.10	88.15	981,375	815.95
January 2016	7,659.65	92.45	64.50	70.95	587,408	472.50
February 2016	7,083.95	73.40	37.05	41.10	849,058	446.58
March 2016	7,832.15	61.50	41.10	50.65	732,622	383.90

(vi) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents :

Link Intime (India) Pvt. Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078.
Telephone : 022 25946970
Email : rnt.helpdesk@linkintime.co.in

(vii) Shareholding as on 31st March, 2016

(a) Distribution of shareholding as on 31st March, 2016

Shareholding of nominal value	Share Holders		Share Amount	
₹	Number	%	₹	%
Upto 5000	6,229	83.93	7,874,710	2.65
5001 - 10000	455	6.13	3,810,520	1.28
10001 - 20000	290	3.91	4,485,470	1.51
20001 - 30000	140	1.89	3,623,660	1.22
30001 - 40000	61	0.82	2,214,660	0.74
40001 - 50000	57	0.77	2,710,520	0.91
50001 - 100000	99	1.33	7,348,380	2.47
100001 and above	91	1.22	265,550,810	89.22
Total	**7,422**	**100.00**	**297,618,730**	**100.00**

b) Shareholding pattern as on 31st March, 2016

Category	No. of shares held	% to the total paid up capital
Promoters		
Indian Foreign	4,281,194 18,040,210	14.38 60.62
Non Promoters		
Mutual Funds	358,953	1.21
Financial Institutions/Banks	29,890	0.10
Bodies Corporate	1,601,057	5.38
NRIs	347,687	1.17
Clearing Member	178,823	0.60
Trusts	100	0.00
Indian Public	4,923,959	16.54

Capital of the Company

The Authorized Capital	..	₹ 330,000,000
The Paid-up Capital	..	₹ 297,618,730

(c) Top ten Shareholders as on 31st March, 2016

Category	Name of the Shareholder	No. of shares held	% to the total paid up capital
Promoter	CAC Holdings Corporation	17,857,125	60.00
Promoter	ACCEL Limited	4,281,194	14.38
Non-Promoter	Rajasthan Global Securities Private Limited	715,532	2.40
Non-Promoter	Ashwin Dungershi Dedhia	292,228	0.98
Promoter	Accel Systems Group INC	183,085	0.62
Non-Promoter	Ganesh R Umamaheswari R	178,360	0.60
Non-Promoter	Kanta Dungershi Dedhia	146,785	0.49
Non-Promoter	Sundaram Mutual Fund A/C Sundaram Select Micro CAP Series I	137,578	0.46
Non-Promoter	RUIA Industries PVT. LTD.	129,815	0.44
Non-Promoter	Satish Gopalakrishna Pillai	116,202	0.39

Dematerialization of shares and liquidity

99.74% of the equity shares have been dematerialised as on 31st March, 2016.

The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE and NSE.

(viii) Outstandings GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

(ix) Plant locations

The Company has a manufacturing unit at Gandhipuram, Trivandrum.

(x) Address for correspondence

The Company Secretary

Accel Frontline Limited

No.75, Nelson Manickam Road,

Aminjikarai, Chennai - 600 029.

Tel.: 044-42252071 / Fax: 044-23741271

(xi) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

8. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

None of the transactions with any of the related parties were in conflict with the Company's interest

(b) Details of non compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

In the light of the Special Audit (Review) Report; the company had on 23rd May 2016 made an application to SEBI and the stock exchanges seeking for extension of time till 31st August 2016 for adopting the audited financial results for the year ended 31st March 2016 stating that the audit is unlikely to be completed within the stipulated timeline of 30th May 2016 as per requirement of SEBI Regulations.

Later the company had received notice from the stock exchanges for non-compliance of Listing Regulation 33 (submission of Audited Financial Results and fine was imposed on the Company. The Company had also sent explanations to the stock exchanges for not finalizing its financial statements for the year ended 31st March 2016 and asking for waiver of the fine imposed on the Company. But the company without prejudice to the request for waiver; remitted the fine amount to the stock exchanges and submitted the Audited Financial Results on 1st August, 2016.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

The Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics policy and provides safeguards against victimization of employees who avail the mechanism. During the year under review, no employee was denied access to the Audit Committee

(d) Web link where policy for determining 'material' subsidiaries is disclosed. The policy on Material Subsidiaries is disclosed in the Company's website www.accelfrontline.com.

9. Non-compliance of any requirement of corporate governance report of sub paras (2) to (10) of Para C to Schedule V of the Listing Regulations.

The Company has complied with the requirements in this regard.

10. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
Board of Directors	17	Yes	• Board composition • Meeting of Board of directors • Review of Compliance Reports • Plans for orderly succession for appointments • Code of Conduct • Fees/compensation • Minimum Information to be placed before the Board • Compliance Certificate • Risk Assessment & Management • Performance Evaluation of Independent Directors
Audit Committee	18	Yes	• Composition • Meeting of Audit Committee • Powers of Audit Committee • Role of Audit Committee and review of information by the committee
Nomination & remuneration committee	19	Yes	• Composition • Role of the committee
Stakeholder Relationship Committee	20	Yes	• Composition • Role of the committee
Risk management committee	21	Not Applicable	• The Company is not in the list of top 100 listed entities by market capitalization
Vigil Mechanism	22	Yes	• Formulation of Vigil Mechanism for Directors and employees • Adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.
Related Party Transaction	23	Yes 23(4), 23(8) which is not applicable to the Company	• Policy on materiality of related party transactions and on dealing with related party transaction. • Prior or omnibus approval of Audit Committee for all related party transactions
Corporate Governance requirements with respect to subsidiary of listed entity	24	Yes 24(1), 24(4), 24(5), 24(6) which is not applicable to the Company	• Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary • Minutes of the meetings of the board of directors of the unlisted subsidiary is placed at the meeting of the board of directors of the Company
Obligations with respect to Independent Directors	25	Yes	• Maximum Directorship and tenure • Meeting of Independent Directors • Familiarization of Independent Directors
Obligations with respect to Directors and Senior Management	26	Yes	• Memberships/Chairmanships in Committees • Affirmation with Compliance with code of conduct from Directors and Senior Management • Disclosure of Shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflict of interest.
Other Corporate Governance requirements	27	Yes	• Compliance with Discretionary requirements • Filing of quarterly compliance report on Corporate Governance
Website	46(2)(b) to (i)	Yes	• Terms and conditions of appointment of independent directors • composition of various committees of board of directors • Code of conduct of board of directors and senior management personnel • Details of establishment of vigil mechanism/ Whistle Blower policy • Criteria of making payments to non-executive directors • Policy on dealing with related party transactions • policy for determining 'material' subsidiaries • Details of familiarization programmes imparted to independent directors

Auditor's Certificate on Corporate Governance

To the Members of Accel Frontline Limited

We have examined the compliance of conditions of corporate governance by ("the Company") for the year ended on 31 March 2016, as stipulated in:

- Clause 49 {excluding Clause 49 (VII) (E)} of the Listing Agreement of the Company with the stock exchange ('Listing Agreement') for the period 01 April 2015 to 30 November 2015;
- Clause 49 (VII) (E) of the Listing Agreement for the period 01 April, 2015 to 01 September, 2015;
- Regulations 17 to 27 {excluding regulation 23(4)}, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01 December 2015 to 31 March 2016; and
- Regulation 23(4) of the Listing Regulations for the period 02 September 2015 to 31 March 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, subject to the following:

1. Mr. N.R. Panicker, the Director of the Company (retired on 31 March 2016), has neither produced a written representation as to the committees in which he is a member nor has affirmed his compliance with the code of conduct of board of directors and senior management as required under the Regulation 26 of the Listing Regulations. In this regard, in the absence of this representation, we are unable to comment on the compliance with the requirements of Regulation 26 of the Listing Regulations.

We certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above during the year ended 31 March 2016.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

per Sumesh ES
Partner
Membership No.:206931

Place : Chennai
Date : 01st August 2016

COMPLIANCE CERTIFICATE

The Executive Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Annual Certification given by the Executive Director and the Chief Financial Officer is given below:

A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations, except for recognition of revenue and valuation of inventories done by the previous management.

B. There are, to the best of their knowledge and belief, presently no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. They accept responsibility for having established and maintaining internal controls for financial reporting that are presently in place and they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, the deficiencies in the design or operation of such internal controls which were in place earlier, of which they were made aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee
   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Malcolm F. Mehta
Executive Director

R. Neelakantan
Chief Financial Officer

Place : Chennai
Date : 01st August, 2016

Declaration signed by the Executive Director stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.

As provided under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members & Senior Management Personnel, except for Mr. N.R. Panicker who has resigned as a Director on 31st March, 2016, have affirmed compliance with Accel Frontline Limited's Code of Conduct for the year ended 31st March, 2016.

Place : Chennai
Date : 01st August, 2016

Malcolm F. Mehta
Executive Director

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Accel Frontline Limited
No.75, Nelson Manickam Road,
Chennai, Tamilnadu - 600 029.
India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Accel Frontline Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to me as on able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Accel Frontline Limited for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

(vi) The Company has identified the following laws as applicable to the Company;

  a) Various labour laws as applicable to the Company; and

  b) The listing agreement entered into by the Company with stock exchanges.

I have also examined compliance with the applicable clauses of the following:

  (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

  (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent the following litigation/s were filed against the company/disposed and pending before the various forum:

1. An order under Sections 11(1), 11(2)(j), 11(4) and 11 B of SEBI Act, 1992 read with Section 12A of Securities Contracts (Regulations) Act, 1956 from SEBI dated 22nd July 2015 was received against the Company and its Promoters towards non-compliance with minimum public shareholding norms. The Company is now compliant with the Minimum Public Shareholding norms. The Company has on 18th March 2016 received the final order from SEBI revoking the directions issued vide order dated 22nd July, 2015 against the Company, its Directors, Promoter and Promoter Group.

2. One of the shareholder of the company M/s. Accel Limited represented by its Chairman Mr. N R Panicker has filed a Company petition under Section(s) 397, 398, 402, 403 and 406 of the Companies Act, 1956 before the Company Law Board, Chennai Bench, (now re-designated as the National Company Law Tribunal at Chennai), wherein inter-alia the Company (M/s. Accel Frontline Limited) and all its present Directors, Company Secretary and Chief Financial Officer have been named as respondents. But there were no financial implications expected immediately arising from the same.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance except in four cases where shorter notice in respect of a meeting were given held on 01/12/2015, 28/12/2015, 09/02/2016 and 14/03/2016 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

   Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

   I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

1. The Company had suo moto engaged an Independent Consultant from one of the big four accounting firms to examine the quality of Bills Receivable of the company and other transactions arising out of their work procedures initially for the 3 year period ended 31st March 2015 and subsequently extended to 31st December, 2015. The report of the said accounting firm ("Special Audit (Review) Report") was presented to the Board of the Company on 14th March, 2016.
2. During the year under review the Board of Directors of the Company at their meeting held on 20th March 2016 had suspended Mr. N.R. Panicker from his position as Executive Chairman of the Company based on the discussions on the Special Audit (Review) Report.
3. The Company had made an application to the SEBI and Stock Exchanges seeking extension of time till 31st August, 2016 for adopting the audited financial results for the year ended 31st March, 2016. Subsequently, the company had adopted the audited financial results for the year ended 31st March 2016 on 01st August 2016.
4. The Company had made an application to the Registrar of Companies, Chennai seeking extension of time for three months till 31st December, 2016 to hold the Annual General Meeting.

S HARI KRISHNAN
Practicing Company Secretary
Membership No. 29583
Certificate of Practice No. 13740

Place : Chennai
Date : 26/08/2016

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Accel Frontline Limited
No.75, Nelson Manickam Road,
Chennai, Tamilnadu – 600 029.
India.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

S HARI KRISHNAN
Practicing Company Secretary
Membership No.29583
Certificate of Practice No. 13740
Place: Chennai
Date : 26/08/2016

Independent Auditor's Report

To the Members of Accel Frontline Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Accel Frontline Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and thedisclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controlsrelevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. As detailed in Note 30 to the financial statements, the Holding Company has made a provision for bad and doubtful debts and written off as bad debts ₹132 lakhs and ₹5,117 lakhs, respectively for the year ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹9,166 lakhs as at 31 March 2016, the management is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial statements. Our limited review report for the quarter and period ended 31 December 2015 was also qualified in this regard.

9. As disclosed in Note 33 to the financial statements, the Holding Company's inventory at maintenance divisions is carried at ₹3,823 lakhs as at 31 March 2016 (31 March 2015: ₹3,044 lakhs). According to the information and explanations given to us, the management of Holding Company 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 Holding Company's records relating to valuation of inventory pertaining to its maintenance divisions, 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 2016, changes in inventories of stock-in-trade and spares, prior period expenses, and the consequent impact, on the accompanying financial statements. Our audit opinion on the financial statements for the previous year ended 31 March, 2015 and the review reports for the quarters and periods ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified in this regard.

10. As disclosed in Note 32 to the financial statements, the Holding Company has provided for an amount of ₹750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March, 2016. The management of Holding Company is presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial statements.

11. As disclosed in Note 31 to the financial statements, the Holding Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹3,104 lakhs and accumulated depreciation of ₹2,309 lakhs, in respect of which Holding Company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial statements.

12. As disclosed in Note 20(a) to the financial statements, revenues aggregating to ₹397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Holding Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would have been higher by ₹397 lakhs, ₹368 lakhs, ₹29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹397 lakhs, ₹368 lakhs respectively and net loss for the period after tax would have been higher by ₹29 lakhs. Our audit report for the previous year ended 31 March 2015 and the review reports for the quarters and periods ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified in this regard.

Qualified Opinion

13. 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 the other auditors on the financial statements of the subsidiariesas noted below, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

14. We draw attention to Note 34 to the financial statements which indicate that the Group has incurred loss after tax and minority interest of ₹14,504 lakhs during the year ended 31 March 2016 and, as of that date, the Group's negative reserves amounted to ₹5,246 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 ₹2,915 lakhs. These conditions, along with matters as set forth in note 29 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.

Other Matters

15. We did not audit the financial statements of 8 subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹11,460 lakhs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹21,280 lakhs and net cash outflows amounting to ₹300 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so

far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

    a) we have sought and except for the matters/effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the reports on the accounts of the branch office of the Holding Company, audited under Section 143 (8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;

    d) the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    e) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    f.) the matters described in paragraph 14 under the Emphasis of matter paragraph and paragraph 9 in Annexure A, in our opinion, may have an adverse effect on the functioning of the Group;

    g) Mr. N R Panicker, the director of the Holding Company, has not produced a written representation as to whether any Company in which he is a director as on 31 March 2016, had not defaulted in terms of sub-section (2) of the section 164 of the Act. In the absence of this representation, we are unable to comment whether he is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from such directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its subsidiary company incorporated in India none of the directors of the Group Companies, incorporated in India are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.

    h) the qualification relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph.

    i) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company, which are companies incorporated in India, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group, for the year ended on that date and our report dated 01 August 2016 as per Annexure A expressed an adverse opinion with respect to Holding Company and unmodified opinion with respect to the subsidiary company incorporated in India.

    j) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) as detailed in Note 40, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

        (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India.

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

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

Place : Chennai
Date : 01 August 2016

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of theAccel Frontline Limited("the Holding Company") and its subsidiary, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFRand the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness.Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtainedand the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companyas aforesaid

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Adverse opinion

8. According to the information and explanations given to us and based on our audit of the Holding Company, the following material weaknesses have been identified as at 31 March 2016:

a) The Holding Company did not have appropriate internal controls over revenue with respect to recognition of revenue, assessment of recoverability of trade receivables which has resulted or could have potentially resulted in material misstatement in the value of the Holding Company's revenue, trade receivables and resultant impact on the loss after tax and the reserves and surplus.

b) The Holding Company did not have appropriate internal controls over inventory with respect to receipt, issue for production of inventory, and valuation of inventory, which resulted or could have potentially resulted in material misstatement in the value of Holding Company's inventory, trade payables, cost of sales and resultant impact on the loss after tax and the reserves and surplus.

c) The Holding Company did not have appropriate internal controls over physical verification of fixed assets which resulted or could have potentially resulted in material misstatement in the value of Holding Company's fixed assets, depreciation and resultant impact on the loss after tax and the reserves and surplus.

d) The Holding Company did not have appropriate internal controls over recording of expenses and accounting of prepaid expenses which resulted or could have potentially resulted in material misstatement in the value of the Holding Company's operating expenses, trade payables and resultant impact on the loss after tax and the reserves and surplus.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

9. In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31 March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Noteissued by ICAI.

10. In our opinion, the subsidiary company, incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by ICAI.

Other Matters

11. We did not audit the IFCoFR in sofar as it relates to one subsidiary company incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 201 lakhs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 263 lakhs and net cash outflows amounting to ₹ 2 lakhs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company, which are companies incorporated in India, under Section 143(3)(i) of the Act in sofar as it relates to the aforesaid subsidiary, which is acompany incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditor.

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

per Sumesh E S
Partner
Membership No.:206931

Place:Chennai
Date:01 August, 2016

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Consolidated Balance Sheet

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	₹ in Lakhs As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	(5,246)	9,119
		(2,270)	**12,095**
Minority Interest		**1,825**	**900**
Non-current liabilities			
Long-term borrowings	6	6,630	7,070
Deferred tax liabilities	7	95	-
Long-term provisions	8	943	605
		7,668	**7,675**
Current liabilities			
Short-term borrowings	9	13,829	12,744
Trade payables	10		
Dues to micro and small enterprises		-	-
Dues to others		6,452	6,632
Other current liabilities	11	7,568	5,402
Short-term provisions	8	262	98
		28,111	24,876
Total		**35,334**	**45,546**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	1,652	2,468
Intangible assets	12	2,978	4.175
Capital work-in-progress		-	25
Intangible assets under development		-	74
Non-current investments	13	-	-
Deferred tax asset, net	7	-	61
Long-term loans and advances	14	4,773	5,611
Other non current assets	15	735	1,329
		10,138	**13,743**
Current assets			
Inventories	16	3,647	4,094
Trade receivables	17	15,269	20,103
Cash and bank balances	18	3,576	4,035
Short-term loans and advances	14	2,196	1,714
Other current assets	19	508	1,857
		25,196	31,803
Total		**35,334**	**45,546**

Notes 1 to 41 form an integral part of these financial statements

This is the balance sheet refered to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August 2016

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

Malcolm F. Mehta
Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Consolidated Statement of Profit and Loss

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	₹ in Lakhs Year ended March 31, 2016	Year ended March 31, 2015
REVENUE			
Revenue from operations (Gross)	20	51,214	48,635
Less: Excise duty		(109)	(48)
Revenue from operations (Net)		51,105	48,587
Other income	21	188	148
Total revenue		**51,293**	**48,735**
EXPENSES			
Cost of raw material and components consumed	22	717	126
Purchases of stock-in-trade	23	19,870	16,451
Changes in inventories of stock-in-trade and stores and spares	24	483	15
Employee benefits expense	25	13,866	11,669
Finance costs	26	2,083	2,255
Depreciation and amortization expense	27	1,262	1,203
Other expenses	28	14,859	15,407
Total expenses		**53,140**	**47,126**
(Loss)/Profit before tax and prior period items		(1,847)	1,609
Prior period items	29(a)	8,665	1,505
(Loss)/Profit before tax and exceptional items		**(10,512)**	**104**
Exceptional items	29(b)	**2,800**	**-**
(Loss)/Profit before tax		**(13,312)**	**104**
Tax expense			
Current tax		214	162
Deferred tax		156	(378)
		370	**(216)**
(Loss)/Profit for the year		(13,682)	320
Minority interest		(822)	(414)
Loss after tax and minority interest for the year		**(14,504)**	**(94)**
Earnings per equity share (Nominal value ₹ 10 per share)	35		
Basic (In ₹)		(48.73)	(0.32)
Diluted (In ₹)		(48.73)	(0.32)

Notes 1 to 41 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August 2016

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

Malcolm F. Mehta
Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Cash Flow Statement

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(13,312)	104
Adjustments for:		
Depreciation and amortization expense	1,262	1,203
Finance costs	2,083	2,255
Unrealized foreign exchange loss/(gain)	286	(47)
Provision for gratuity and compensated absences	365	307
Loss on sale of fixed assets (net)	20	-
Bad debts written-off	2,119	116
Provision for warranty	138	-
Provision for doubtful receivables	132	671
Provision for doubtful advances	51	-
Provision for diminution in value of investments	-	30
Interest income	(86)	(97)
Prior period and exceptional items	9,772	-
Operating profit before working capital changes	**2,830**	**4,542**
Adjustments for:		
(Decrease)/increase in trade payables	(180)	1,175
Increase in other current liabilities	785	2,956
Increase in trade receivables	(647)	(7,073)
(Increase)/decrease in inventories	(566)	12
Decrease in long-term loans and advances	331	15
(Increase)/decrease in short-term loans and advances	(1,702)	587
Decrease in other current assets	165	527
Cash generated from operations	**1,015**	**2,741**
Direct taxes refund, net	252	347
Net cash generated from operating activities	**1,267**	**3,088**
B. Cash flow from investing activities		
Purchase of assets (including capital work in progress and capital advances)	(1,039)	(1,832)
Sale proceeds on disposal of assets	20	-
Interest received	37	97
Movement in bank deposits	37	(66)
Net cash used in investing activities	**(945)**	**(1,801)**
C. Cash flow from financing activities		
Proceeds from short term borrowings, net	1,086	1,155
Proceeds from long term borrowings	-	5,539
Repayment of long term borrowings	(33)	(2,849)
Payment of dividend	-	(1)
Dividend transferred to Investor’s Protection fund	(2)	-
Interest paid to banks and related parties	(2,103)	(2,248)
Net cash (used in)/generated from financing activities	**(1,052)**	**1,596**

Cash Flow Statement

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
D. Net cash (decrease)/increase during the year	**(730)**	**2,883**
E. Cash and cash equivalents at the beginning	3,884	1,161
Effects of foreign currency translation	(261)	160
F. Cash and cash equivalents at the end	**3,415**	**3,884**
Cash and cash equivalents comprise of:		
Cash on hand	17	17
Cheques on hand	49	1,072
Balances with banks - in current accounts	3,350	2,795
Cash and cash equivalents as per note 18	**3,415**	**3,884**

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August 2016

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

Malcolm F. Mehta
Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

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Summary of significant accounting policies and other explanatory information

1 General Information

(a) Background

Accel Frontline Limited and its subsidiaries (collectively referred to as "the Group") ("Accel" or the Company) was incorporated on 8 June 1995. The Group's principal lines of business is IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, development, implementation and maintenance of software applications.

(b) Comparatives:

All amounts in the consolidated financial statements are presented in India Rupee (₹) in lakhs except per share data and as otherwise stated. Figures for the previous year have been regrouped/ rearranged wherever considered necessary to conform to the figures presented in the current year.

2 Significant accounting policies

(a) Basis of preparation of financial statements

These consolidated financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India and guidelines issued by the Securities and Exchange Board of India (SEBI). The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Basis of Consolidation

The Consolidated financial statements include the financial statements of the Subsidiary companies as listed below. The financial statements of the subsidiary undertakings forming part of these consolidated financial statements are drawn up to 31 March 2016. Subsidiaries are all entities over which the Holding Company has the ability to control the financial and operating policies. All material inter-company transactions and accounts are eliminated on consolidation.

The Company has the following subsidiaries.

Name	Holding	Country of incorporation/origin
Accel Systems & Technologies Pte. Ltd., Singapore.	51%	Incorporated under the laws of Singapore.
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	100%	Established as a wholly owned subsidiary enterprise as per the license by DMCC,Dubai
Network Programs (USA), Inc., USA	100%	Incorporated under the laws of the State of Delaware, USA.
Network Programs (Japan), Inc., USA	100%	Incorporated under the laws of the State of Delaware, USA.
Accel Japan Kabushiki Kaisha, Japan	100%	Incorporated under the laws of Japan in Tokyo, Japan.
Accel North America, Inc., USA	100%	Incorporated under the laws of the State of California, USA.
Accel IT Resources Limited, India	100%	Incorporated under the laws of India.
Accel Technologies Limited, UK	100%	Incorporated under the laws of United Kingdom

(c) Principles of consolidation:

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on 'Consolidated financial statements' as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The consolidated financial statements are prepared on the following basis:

(i) The financial statements of the Holding Company and its Subsidiary Companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses except as stated below based on the audited accounts.

(ii) The intra group balances, intra group transactions, thereon have been fully eliminated.

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the Holding Company and its share in the relevant reserves of the subsidiary.

Minorities' interest in net profits/losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their

Summary of significant accounting policies and other explanatory information

share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Holding Company, except where there is contractual/legal obligation on minority.

As far as practicable, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's standalone financial statements. Differences in accounting policies are disclosed separately.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the parent having no bearing on the true and fair view of the consolidated financial statements of the group is not disclosed in the consolidated financial statements.

Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries.

Name of the entity	Net Assets		Share in Profit or loss	
	As a % Consolidated Net Assets	Amount	As a % of Consolidated Profit or (Loss)	Amount
Holding Company				
Accel Forntline Limited	104%	(2,356)	95%	(13,759)
Indian Subsidiary				
Accel IT Resources Limited	5%	(114)	0%	(35)
Foreign Subsidiaries				
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	(11%)	244	6%	(926)
Accel Systems & Technologies Pte. Limited, Singapore	(161%)	3,656	(12%)	1,677
Accel Technologies Ltd, UK	5%	(117)	0%	(29)
Accel North America Inc., USA	19%	(436)	3%	(487)
Network Programs (USA) Inc., USA	15%	(332)	1%	(121)
Accel Japan KK, Japan	1%	(33)	(1%)	88
Network Programs (Japan), Inc., USA	(3%)	74	0%	(8)
Less: Minority Interest	(80%)	1,825	(6%)	822
Subtotal	**55%**	**(1,239)**	**99%**	**(14,422)**
Less: Effect of Inter-company adjustments/ eliminations		1,031		82
Total	**100%**	**(2,270)**	**100%**	**(14,504)**

Summary of significant accounting policies and other explanatory information

(d) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of consolidated financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include provision for doubtful receivables, investments and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Management believes the estimates are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(e) Tangible assets and depreciation

Tangible assets are stated at acquisition cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met as per accounting standards 16 and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes all expenses attributable to bringing the asset to its working condition for its intended use. Cost of tangible assets not ready for the intended use before such date is disclosed as capital work in progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. The useful life of each block of assets is as follows

Asset	Useful life
Plant and machinery	15 years
Office equipment	3 to 5 years
Furniture and fixtures	3 to 10 years
Computers	3 to 6 years
Vehicles	8 to 10 years
Lease hold improvements	Over the lower of estimated useful lives of the assets or the primary period of the lease.

(f) Intangible assets and amortization

Intangible assets acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Measurement subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Cost of intangible assets not ready for the intended use before such date is disclosed as Intangibles under development.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Summary of significant accounting policies and other explanatory information

Goodwill arising out of Consolidation is not amortised.

A summary of amortization rates applied to the Group's intangible assets is as below:

Particulars	Rates (SLM)
Goodwill	10%
Technical know-how	10%
Software	14.29%

(g) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of leases are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in the Schedule II to the Companies Act, 2013, whichever is higher. However if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Borrowing costs

Borrowing cost includes interest incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Inventories

Inventories include raw materials, components, stock in trade, finished goods, stores and spares and work-in progress.

Inventories of raw material, stock-in-trade are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes all charges in bringing the goods to the point of sale. Cost is determined on weighted average cost basis.

Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labor and a portion of the manufacturing overheads. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and estimated cost necessary to make the sale.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded

Summary of significant accounting policies and other explanatory information

from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Income from annual maintenance contracts is recognized proportionately over the period of the respective contracts. Accrued income shown under "other current assets" represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Revenues from maintenance contracts are usually recognized as the service is performed, by the proportionate completion method (pro-rata) over the period of the service as and when services are rendered. The Group collects taxes on behalf of the government and remits the same to the government; therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Software services

Software services are either provided on a time & material basis or on a fixed price basis. IT Services provided on a time & material basis are recognized in the period in which the services are performed. IT services provided on a fixed price basis are recognized based on the proportionate completion method. Unbilled revenue included under other current assets represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividends

The Group recognizes dividend as income only when the right to receive the same is established by the reporting date.

(l) Foreign currency transactions

A foreign currency transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are dealt with in the statement of profit and loss.

Gain or loss on forward exchange contract, not in the nature of hedge, is calculated based on difference between forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate. The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of contract and exchange differences on such contracts is recognized as income or expense in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognized as income or expense for the year upon such cancellation or renewal.

(m) Translation of integral and non-integral foreign operations

The group classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

(n) Retirement and employee benefits

Provident fund

The Group makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined.

Compensated absences

Liability in respect of compensated absences (includes encashable leave) becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past

Summary of significant accounting policies and other explanatory information

experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined. Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits.

Overseas entities - Post-employment benefits

Defined contribution

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit

Liabilities related to the gratuity plan and compensated absences are determined based on the estimated future cash outflow as per the retirement policy or the local regulation of the respective entity as at the balance sheet date.

(o) Taxation

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specific period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The Group offsets deferred tax assets and deferred tax liabilities if there is a legally enforceable right to set off assets against liabilities representing current tax.

(p) Impairment

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

(q) Provisions

A provision is recognized when the group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Group;

b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) present obligation, where a reliable estimate cannot be made.

(s) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

In the cash flow statement, cash and cash equivalent includes cash in hand, cheques on hand, balances with banks in current accounts and other short term highly liquid investments with original maturities of three months or less.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Identification of segments

Considering the risk/return profiles of the segments between product and geography, the Group has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(v) Cash flow statement

Cash flows are reported using the indirect method, whereby loss before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Group are segregated based on the available information.

3 Transfer Pricing

As per the transfer pricing norms introduced in India with effect from 1 April 2001, the Holding Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The transfer pricing study for the financial year ended 31 March 2016 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Holding Company's results.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016 Nos.	Amount	As at March 31, 2015 Nos.	Amount
4	**Share capital**				
	Authorised				
	Equity shares of ₹ 10/- each	33,000,000	3,300	33,000,000	3,300
	Issued, Subscribed & fully Paid up				
	Equity shares of ₹ 10/- each	29,761,873	2,976	29,761,873	2,976
		29,761,873	**2,976**	**29,761,873**	**2,976**

a) There were no movements in the share capital during the current and the previous year.

b) Shares held by the ultimate holding company

Equity shares of ₹10 each				
CAC Holding Corporation	**17,857,125**	**1,786**	**17,857,125**	**1,786**

c) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
Equity Shares of ₹. 10 each				
CAC Holding Corporation, Ultimate Holding Company	17,857,125	60.00%	17,857,125	60.00%
Accel Limited, Promoter Company	4,281,194	14.38%	4,368,768	14.68%

d) Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each share holder is eligible for one vote per share held. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the holding company after distribution of all preferential amounts in proportion to their share holding.

e) The Holding Company has achieved the Minimum Public Shareholding (MPS) requirements as stipulated by the listing agreement during the year. The Holding Company was required to comply with the MPS requirement by 31 March 2015 as per the directions issued by Securities and Exchange Board of India(SEBI), whereas the same has been complied with on 12 August 2015 for which the Company wrote to SEBI and obtained an order dated 18 March 2016 revoking all earlier directions.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately preceding 31 March 2016.

₹ in Lakhs

		As at March 31, 2016	As at March 31, 2015
5	**Reserves and surplus**		
	Securities premium reserve	6,857	6,857
	General reserve	859	859
	Surplus in the statement of profit and loss		
	Balance at the beginning of the year	1,215	1,514
	Add : Transferred from statement of profit and loss	(14,504)	(94)
	Less: Adjustments consequent to change in useful life of assets (net of deferred tax), (Also refer note 12(iii))	-	(205)
	Balance at the end of the year	**(13,289)**	**1,215**
	Foreign currency translation reserve	**327**	**188**
		(5,246)	**9,119**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
6 Long term borrowings		
Secured		
From bank		
Finance lease obligations (Also, refer note (a) below)	61	94
From others		
Loan against keyman insurance policy	129	114
(Also, refer note (b) below)	**190**	**208**
Less: Classified as other current liabilities		
Current maturities of long-term borrowings	(22)	(33)
(Also, refer note 11)	**168**	**175**
Unsecured		
From others		
Loans and advances from related parties	7,259	6,895
(Also, refer note (c) below)		
Less: Classified as other current liabilities		
Current maturities of long-term borrowings	(797)	-
	6,462	**6,895**
	6,630	**7,070**

a) The loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The loans are repaid in equated monthly instalments over 60 months from date of loan and carry interest rate between 10% to 15% per annum . Also, refer note 12(v) .

The details of lease commitments in terms of minimum lease payments are as follows:

₹ In Lakhs

	As at March 31, 2016		As at March 31, 2015	
Payments falling due:	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Payable not later than 1 year	27	22	41	33
Payable later than one year but not later than 5 years	41	39	68	61
Total	68	61	109	94
Less Amounts representing interest	7	-	15	-
	61	61	94	94

b) Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with maturity value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up.

c) The loans and advances from related parties represents loan from the ultimate holding company, CAC Holding Corporation, to Accel Frontline Limited to the tune of ₹ 3,902 (As at 31 March 2015: ₹ 3,649) at an interest rate of 4.5%+6 Months LIBOR Rate and the entire amount being repayable in 2021-22. Also refer note 37(c).
- Accel North America Inc., USA to the tune of ₹ 1,526 (As at 31 March 2015: ₹ 1,442) at an interest rate of 3.25%+6 Months LIBOR Rate and 40% of the loan amount payable in 2016-17 and the balance in 2017-18. Also refer note 37(c).
- Network Programs (USA) Inc., USA, to the tune of ₹ 464 (As at 31 March 2015: ₹ 438) at an interest rate of 3.25%+6 Months LIBOR Rate and 40% of the loan amount payable in 2016-17 and the balance in 2017-18. Also refer note 37(c)."

The loans and advances from related parties also includes loans from Accel Limited to the tune of ₹ 1,366 (As at 31 March 2015: ₹ 1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also refer note 37(c).

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

	As at March 31, 2016	As at March 31, 2015
7 Deferred tax		
(i) Deferred tax liability		
The breakup of net deferred tax liability is as follows:		
Deferred tax liability arising on account of :		
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	95	-
Others items	-	-
Deferred tax liability	**95**	**-**
(ii) Deferred tax asset (net)*		
The breakup of net deferred tax (asset)/liability is as follows:		
Deferred tax liability arising on account of :		
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	**220**	684
Others items	-	16
	220	**700**
Less: Deferred tax asset arising on account of :		
Deferred tax asset arising on account of :		
Provision for employee benefits	(324)	(219)
Provision for doubtful receivables	(79)	(257)
Provision for diminution in value of investments	(44)	(9)
Unearned revenue	-	(101)
Unabsorbed depreciation	(1.383)	(175)
	1,611	**761**
Net deferred tax (asset)/liability	**-**	**61**

* The Group has not recognised deferred tax asset as the management is not reasonably certain that sufficient future taxable income will be available to realise the same.

	As at 31 March 2016		As at 31 March 2015	
	Long Term	**Short Term**	**Long Term**	**Short Term**
8 Provisions				
Provisions for employee benefits				
Gratuity (Also refer note a(i) below)	743	110	490	96
Compensated absences (Also refer note a(ii) below)	140	69	110	2
Provision for warranty (Also, refer note (b) below)	60	83	5	-
	943	**262**	**605**	**98**

a) Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Holding Company and its subsidiary incorporated in India provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

	As at March 31, 2016	As at March 31, 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	568	345
Current service cost	89	46
Interest cost	45	34
Actuarial loss	138	236
Benefits paid	(97)	(93)
Projected benefit obligation at the end of the year	**743**	**568**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Change in plan assets	**As at 31 March 2016**	**As at 31 March 2015**
Fair value of plan assets at the beginning of the year	96	164
Expected return on plan assets	8	13
Employer contributions	6	13
Benefits paid	(97)	(93)
Other adjustments	14	-
Actuarial (loss) on plan assets	8	(1)
Fair value of plan assets at the end of the year	**35**	**96**

Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised		
Present value of projected benefit obligation at the end of the year	743	567
Fair value of plan assets at the end of the year	35	96
Liability recognized in the balance sheet Thereof	**708**	**471**
Unfunded	708	471
Components of net gratuity costs are		
Current service cost	89	46
Interest cost	45	34
Expected returns on plan assets	(8)	(13)
Recognized net actuarial loss	130	237
Net gratuity costs recognized in the income statement	**256**	**303**
Principal actuarial assumptions used:		
Discount rate	7.70%-7.80%	8.25%-9%
Long-term rate of compensation increase	7.50%	5.00%
Expected rate of return on plan assets	8.00%	8.00%
Average remaining life (in years)	25-28	24-28
Attrition rate	5%-20%	1.92%-2%

The Holding Company and its subsidiary incorporated in India assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The following table sets out the present value of defined obligations, fair value of plan assets and the amounts recognized in the financial statement:

Net (liability) recognized in balance sheet	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Present value of defined benefit obligation	(743)	(568)	(353)	(113)	(100)
Fair value of plan assets	35	96	164	-	-
(Deficit) in the plan	(708)	(472)	(189)	(113)	(100)

(ii) Compensated absences

The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :		
Discount rate	7.80%	8.25%-9%
Long-term rate of compensation increase	7.50%	5%-8%
Average remaining life	25-28	24-28
Attrition rate	5%-20%	1.92%-2%
b) Provision for warranty		
Balance at the beginning of the year	5	-
Created during the year, net	183	5
Reversed during the year	(45)	-
Balance at the end of the year	**143**	**5**

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Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Group's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Group's warranty terms which provides for a warranty period of about 36 months**.**

9) Short term borrowings	**As at 31 March 2016**	**As at 31 March 2015**
Repayable on demand from banks		
Secured:		
- Working capital demand loan	4,500	4,660
- Cash credit	2,216	5,861
- Letter of credit	3,228	2,205
Unsecured:		
- Working capital demand loan	3,880	-
- Loans from related parties	5	18
	13,829	**12,744**
(a) Details of guarantee		
Guaranteed by Holding company		
From banks		
- Working capital demand loan	4,500	4,500
- Cash credit	393	305
- Letter of credit	1,069	1,615
Guaranteed by Promoter director and Promoter company		
From banks		
- Cash credit	330	55
- Letter of credit	1,223	3,590

(b) Details of terms and security

The Holding Company has availed a working capital demand loan worth ₹ 4,500 (as at 31 March 2015: ₹ 4,500) valid till 31 March 2017 from Sumitomo Mitsui Banking Corporation at an interest rate of 10.90% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

The Holding Company has also availed cash credit facility from Sumitomo Mitsui Banking Corporation at an interest rate of 12.6% which is secured by a Corporate Guarantee provided by CAC Holdings corporation, Japan

Cash credits guaranteed by promoter director and promoter company represents:

(i) borrowings availed from SBI bank at an interest rate of 14.35% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Holding Company, including book debts and inventories and first and exclusive charge on certain properties owned by promoter company.

(ii) borrowings availed from IDBI bank at an interest rate of 14% which is secured by pari passu charge on all the current assets and moveable assets of the Holding Company, including book debts and inventories.

Working capital loans guaranteed by promoter director and promoter company represents loan from IDBI at an interest rate of 14% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Holding Company, including book debts and inventories and first and exclusive charge on certain properties owned by the promoter company.

The Holding Company has also availed cash credits from Axis bank at an interest rate of 13.40% which is secured by pari passu charge on all the current assets and moveable assets of the Company, including book debts and inventories.

The Holding Company has availed letter of credits from banks which are secured by the hypothecation of goods purchased under the letter of credit.

The Holding Company has availed working capital Facility from Mizuho Bank during the year at an interest rate of 11% which is unsecured .

Accel North America Inc., USA has obtained loan from Accel Systems Group Inc, USA on account of working capital requirements and the same are repayable on demand bearing 8% of interest.(Also, refer note 37(c)).

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

10 Trade payables	As at 31 March 2016	As at 31 March 2015
Dues to micro and small enterprises*	-	-
Dues to others	6,452	6,632
	6,452	6,632

There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

11 Other current liabilities	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term debt (Also, refer note 6)		
Finance lease obligations	22	33
Loans and advances from related parties	797	-
Unearned revenue	3,351	2,131
Unpaid dividends	4	6
Statutory dues	444	413
Employee related payables	1,015	795
Interest accrued but not due	110	105
Other payables	1,825	1,919
	7,568	**5,402**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

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Summary of Significant Accounting Policies and other Explanatory Information

12 Fixed Assets

₹ in Lakhs

Particulars	TANGIBLE ASSETS							INTANGIBLE ASSETS				
	Leasehold improve-ments	Plant and machinery	Furniture and electrical fittings	Office equipment	Computers	Vehicles	Total of tangible assets (A)	Goodwill	Computer software	Copy rights/ Technical Knowhow	Total of intangible assets (B)	Grand Total (A+B)
Gross block												
Balance as at 01 April 2014	629	292	608	346	2,301	283	4,459	2,920	3,386	172	6,478	10,937
Adjustments (Also, refer note (vi) below)	-	(26)	3	(5)	(226)	-	(254)	-	254	-	254	-
Additions	72	97	19	6	991	-	1,185	-	533	-	533	1,718
Disposals	25	-	-	-	-	-	25	-	-	-	-	25
Exchange fluctuation	(1)	1	4	1	(1)	2	6	153	17	-	170	176
Balance as at 31 March 2015	**675**	**364**	**634**	**348**	**3,065**	**285**	**5,371**	**3,073**	**4,190**	**172**	**7,435**	**12,806**
Additions	5	9	2	9	1,043	18	1,086	-	87	-	87	1,173
Deletions (Also, refer note 29 and 31)	-	(84)	-	-	(1,222)	-	(1,306)	-	(56)	-	(56)	(1,362)
Disposals	-	-	8	-	-	72	80	-	-	-	-	80
Exchange fluctuation	5	1	5	2	6	2	21	-	22	-	22	43
Balance as at 31 March 2016	**685**	**290**	**633**	**359**	**2,892**	**233**	**5,093**	**3,073**	**4,243**	**172**	**7,488**	**12,581**
Accumulated depreciation/amortization												
Balance as at 01 April 2014	368	116	322	119	973	107	2,005	449	2,185	85	2,719	4,724
Depreciation/amortization for the year	117	(2)	34	56	442	19	666	135	368	34	537	1,203
Adjustments consequent to changes in useful life of assets	1	3	102	111	39	2	258	-	1	-	1	259
Reversal on disposal of assets	24	-	-	-	-	-	24	-	-	-	-	24
Exchange fluctuation	(2)	-	1	1	-	(2)	(2)	-	3	-	3	1
Balance as at 31 March 2015	**460**	**117**	**459**	**287**	**1,454**	**126**	**2,903**	**584**	**2,557**	**119**	**3,260**	**6,163**
Depreciation/amortization for the year	79	27	42	47	530	33	758	161	326	18	504	1,262
Reversal on deletions (Also, refer note 29 and 31)	-	(3)	-	-	(193)	-	(196)	-	(4)	-	(4)	(200)
Reversal on disposal of assets	-	-	(4)	-	-	(36)	(40)	-	-	-	-	(40)
Impairment (Also refer note (iv) and 29(b))	-	-	-	-	-	-	-	371	371	-	742	742
Prior period (Also, refer note 29(a))	-	(6)	-	-	-	-	(6)	-	-	-	-	(6)
Exchange fluctuation	2	1	3	1	14	1	22	-	8	-	8	30
Balance as at 31 March 2016	**541**	**136**	**499**	**335**	**1,805**	**124**	**3,441**	**1,116**	**3,257**	**137**	**4,510**	**7,951**
Net block												
Balance as at 31 March 2015	215	247	175	61	1,611	159	2,468	2,489	1,633	53	4,175	6,643
Balance as at 31 March 2016	144	154	134	24	1,087	109	1,652	1,957	986	35	2,978	4,630

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

(i) Capital work in progress amounting to Nil (As at 31 March 2015: ₹ 25) as appearing in the balance sheet represents capital assets which are pending completion/installation.

(ii) As at 31 March 2016, the Company has incurred expenditure to the tune of Nil (As at 31 March 2015: ₹ 74) for software development which was not operational as at the balance sheet date. This expenditure has been disclosed as "Intangible assets under development".

(iii) Hitherto, depreciation on all tangible assets was provided on a straight-line method over the estimated useful life using the rates prescribed under Schedule XIV of the erstwhile Companies Act, 1956. Effective 1 April 2014, in accordance with Schedule II of the Companies Act, 2013, the Company has re-assessed the useful life and adopted the rates prescribed except for certain computers for which the Company has carried out certain technical evaluation to assess the useful life based on which the useful life has been determined to be higher than the life prescribed by Schedule II. Had the Company continued to use the earlier estimate for depreciation of all tangible assets the loss for the year ended 31 March 2015 would have been lower by ₹ 145 and further an amount of ₹ 117 (net of deferred taxes) has been charged to the opening balance of the reserves and surplus in respect of the assets whose remaining life is Nil as at 1 April 2014 in accordance with Schedule II to the Act.

(iv) As at 31 March 2016, the Company has assessed the estimated future cash flows expected to arise from the continuing use of asset and from its disposal at the end of its useful life of fixed assets and identified that certain computer application softwares are to be impaired as management does not foresee any future economic benefits from these softwares. Hence the Company has impaired the carrying value of such assets amounting to ₹ 110. (Also refer note 29 (b))

(v) The gross block and net carrying amount of the assets acquired under finance lease are as follows:

Assets class	As at 31 March 2016		As at 31 March 2015	
	Gross block	Net block	Gross block	Net block
Vehicles	92	51	102	69
Computers	74	41	63	48
Total	**166**	**92**	**165**	**117**

	As at March 31, 2016	As at March 31, 2015
		₹ in Lakhs
13. Non-current investments		
Trade investments (Valued at cost unless stated otherwise)		
Investments in equity instruments - Unquoted		
Telesis Global Solutions Limited, India	30	30
96,374 (Previous year : 96,374) equity shares of ₹ 1 each fully paid up		
Less: Provision for diminution in the value of investment	(30)	(30)
	-	-
Aggregate amount of unquoted investments	30	30
Aggregate provision for diminution in value of investments	(30)	(30)

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

14 Loans and advances

	As at 31 March 2016		As at 31 March 2015	
	Long Term	Short Term	Long Term	Short Term
Unsecured, considered good				
Capital advances	-	-	35	-
Security deposits	428	39	348	-
Rental deposit	438	39	552	-
Prepaid expenses	309	1,884	528	1,273
Balances with government authorities	287	70	462	167
Advance income-tax (net of provision for tax)	3,229	-	3,625	-
MAT credit entitlement	67	-	67	-
Other loans and advances	35	195	24	274
	4,793	2,227	5,611	1,714
Less: Provisions for doubtful advances	(20)	(31)	-	-
Total	**4,773**	**2,196**	**5,611**	**1,714**

* No amount is due from officers of the group.

	As at March 31, 2016	As at March 31, 2015
15 Other Non Current Assets		
Non-current bank balances (Also, refer note 18)	642	690
Long-term trade receivables		
Customer retention - Unsecured, considered good	93	639
	735	**1,328**
16 Inventories *(Valued at cost)*		
Raw materials	178	83
Stock-in-trade (includes goods-in-transit: Nil (As at 31 March 15: ₹ 104))	838	577
Stores and spares (includes goods-in-transit: ₹ 47 (As at 31 March 15: Nil))	3,823	3,434
Less: Provision for inventories (Also, refer note 32)	(1,191)	-
	3,647	**4,094**

17 Trade receivables

(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1,370	3,969
Considered doubtful	234	792
	1,604	4,761
Less :Provision for doubtful receivables (Also, refer note 30)	(234)	(792)
(A)	**1,370**	**3,969**
Other receivables		
Considered good	13,899	16,134
Considered doubtful	22	-
(B)	**13,921**	**16,134**
Less :Provision for doubtful receivables (Also, refer note 30)	(22)	-
	13,899	**16,134**
Total (A+B)	**15,269**	**20,103**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

			As at March 31, 2016	As at March 31, 2015
18	**Cash and Bank Balances**			
	Cash and Cash equivalents			
	Cash on hand		17	17
	Cheques on hand		49	1,072
	Balances with banks in current accounts		3,350	2,795
		(A)	**3,415**	**3,884**
	Other bank balances			
	Unpaid dividend account		4	6
	Balances with banks held as margin money		798	835
		(B)	**802**	**841**
	Less : Amounts disclosed as other non -current assets (Also, refer note 15)	**(C)**	**642**	**690**
		Total (A+B-C)	**3,576**	**4,035**
19	**Other current assets**			
	Unbilled revenue		422	1,803
	Interest accrued on fixed deposits		49	-
	Others receivables		37	54
			508	**1,857**

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Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016	As at March 31, 2015
20	**Revenue from operations**		
	Sale of goods	21,282	24,431
	Sale of services	29,932	24,204
	Revenue from operations (Gross)	**51,214**	**48,635**
	Less : Excise duty	(109)	(48)
	Revenue from operations (Net)	**51,105**	**48,587**

(a) During the year 2014-15, the Holding Company has recognized revenue of ₹ 397 with a corresponding cost in changes in inventories and stock-in-trade of ₹ 368 for shipments made during the previous year whereas the shipment was received and acknowledged by the customer after 31 March 2015. The management of the Holding Company believes that the risk relating to the shipments has been transferred before 31 March 2015 and hence believes that this accounting treatment reflects a true and fair view.

	As at March 31, 2016	As at March 31, 2015
Details of products sold / services rendered		
Manufactured goods		
(i) Multifunction Kiosk	27	87
(ii) QUE Management Systems	29	79
(iii) Touch screen information Kiosk	550	56
(iv) Others*	260	24
Total	**866**	**246**
Traded goods		
(i) Servicers, desktops and Laptops	14,335	17,174
(ii) Software	1,199	2,706
(iii) Spares, accessories and network products	4,027	2,426
(iv) Others*	855	1,879
Total	**20,416**	**24,185**
Services rendered		
(i) Software services	8,170	7,618
(ii) Annual maintenance contracts, facility management services and installation services	19,506	13,604
(iii) Warranty services	1,993	2,665
(iv) Training	263	317
Total	**29,932**	**24,204**

* Individually less than 10% of the products sold / services rendered

		As at March 31, 2016	As at March 31, 2015
21	**Other income**		
	Interest income	86	98
	Net foreign exchange gain	-	45
	Other non-operating income	102	5
		188	**148**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		₹ in Lakhs	
		As at March 31, 2016	**As at March 31, 2015**
22	**Cost of raw material and components consumed**		
	Opening stock	83	82
	Add : Purchases during the year	753	127
	Less: Closing stock	178	83
	Add Provision for inventories	59	-
		717	**126**
	Details of cost of raw material and components consumed		
	Opening stock		
	(i) Monitors, CPU Assemblies, LCD	6	7
	(ii) Printers	9	7
	(iii) Spares and accessories	68	68
	(iv) Others*	-	
	Total	**83**	**82**
	Purchases		
	(i) Monitors, CPU Assemblies, LCD	401	51
	(ii) Printers	50	27
	(iii) Spares and accessories	137	49
	(iv) Others*	164	-
	Total	**752**	**127**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD	60	6
	(ii) Printers	17	9
	(iii) Spares and accessories	69	68
	(iv) Others*	32	-
	Total	**178**	**83**
	Consumption details		
	(i) Monitors, CPU Assemblies, LCD	347	52
	(ii) Printers	42	25
	(iii) Spares and accessories	136	49
	(iv) Others*	133	-
	Add: Provision for inventories	59	-
	Total	**717**	**126**
	* Individually less than 10% of the consumption		
23	**Purchases of Stock-in-Trade**		
	(i) Servers, desktops and laptops	10,739	8,239
	(ii) Software	1,630	2,446
	(iii) Spares, accessories and network products	4,622	2,263
	(iv) Others*	2,879	3,503
		19,870	**16,451**

* Individually less than 10% of the total purchases

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Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016	As at March 31, 2015
24	**Changes in inventories of stock-in-trade and stores and spares**		
	Closing stock:		
	Stock-in-trade	838	578
	Stores and spares	3,823	3,434
	Less: Provision for inventories	(1,132)	-
		3,529	**4,012**
	Opening stock:		
	Stock-in-trade	578	1,492
	Stores and spares	3,434	2,535
		4,012	**4,027**
	Net decrease in inventories	**483**	**15**
25	**Employee benefits expense**		
	Salaries and wages	12,913	10,729
	Gratuity expense (Also, refer note 8 (a))	279	362
	Contribution to provident and other defined contribution funds	502	405
	Staff welfare expenses	172	173
		13,866	**11,669**
26	**Finance costs**		
	Interest expenses	1,829	1,939
	Bank charges	254	316
		2,083	**2,255**
27	**Depreciation and amortization expense**		
	Depreciation of tangible assets (Also, refer note 12)	758	666
	Amortization of intangible assets (Also, refer note 12)	504	537
		1,262	1,203

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2016	Year ended March 31, 2015
28	**Other expenses**		
	Sub-contracting and outsourcing cost	6,438	8,939
	Power and fuel	245	581
	Rent	1,297	946
	Printing and stationery	144	107
	Repairs and maintenance		
	- Leased premises	252	246
	- Equipments	12	15
	- Others	119	99
	Insurance	153	116
	Rates and taxes	182	184
	Travelling and conveyance	1,090	1,215
	Loss on sale of fixed assets	20	
	Communication expenses	396	546
	Freight and forwarding	411	469
	Legal and professional fees	835	658
	Directors' sitting fees	31	13
	Payments to auditors (Also, refer note 30)	52	25
	Loss on sale of fixed asset	20	-
	Loss on foreign currency transactions, net	287	-
	Provision for warranty	138	-
	Bad debts written off (Also refer note 30)	2,119	116
	Provision for doubtful receivables (Also refer note 30)	132	671
	Provision for doubtful advances	51	-
	Provision for diminution in value of investment	-	30
	Miscellaneous expenses	455	431
		14,859	**15,407**
29	**Prior period and exceptional items**		
	a) Prior period items		
	Bad debts written-off	2,836	-
	Revenue impact on account of revenue recognition policy	2,572	-
	Cost impact on account of revenue recognition policy	(1,849)	-
	Unbilled revenue written-off	1,232	-
	Purchase of Stock in trade	1,282	-
	Fixed assets written-off	1,081	-
	Sub- contracting charges	618	-
	Advances written-off	721	-
	Unearned revenue carried forward	134	1,433
	Prepaid expenses carried forward	(108)	-
	Rates and taxes	81	-
	Other expenses	26	-
	Employee benefits expenses	45	72
	Reversal of depreciation	6	-
	Total	**8,665**	**1,505**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ **in Lakhs**

		Year ended March 31, 2016	Year ended March 31, 2015
b)	Exceptional items		
	Provision for inventory	981	-
	Impairment of intangible assets	742	-
	Bad debts written-off	598	-
	Purchase of stock in trade	291	-
	Tangible assets written-off	81	-
	Inventory written-off	32	-
	Advances written-off	75	-
	Total	**2,800**	**-**

c) During the financial year 2015-16, effective 5 May 2015, the operational control of the IT Technology Services ('ITS') and Software Services Division ('SSD') were handed over to the present Executive Director of the Holding Company by the erstwhile Executive Chairman of the Holding Company- who was operationally managing such divisions till the hand over. Effective 18 September 2015, the entire operational control and management of the remaining divisions of the company, viz., Warranty Management Services ('WMS') and all its subsidiaries, were handed over to the present Executive Director of the Holding Company by the erstwhile Executive Chairman of the Holding Company- who was operationally managing such division/subsidiaries till the hand over.

The erstwhile Executive Chairman's term as a director of the Holding Company ended on 31 March 2016 and he has ceased to be a director of the Holding Company with effect from such date.

In August 2015, certain concerns had been raised by the Audit Committee to the Board on the quality of trade receivables. The internal auditors were instructed by the Audit Committee to carry out line item-wise check on the trade receivables. The need for a general provisioning policy was also recommended by the statutory auditors. The interim report of the internal auditors was tabled in the November 2015 Board Meeting. Based on this report the new management provided for certain bad and doubtful debts. The report had findings that needed further confirmation which was looked into by the newly appointed Chief financial officer. The Chief financial officer provided an internal note to the Audit Committee which called for a Board Meeting in early December 2015. Consequently, in December 2015, the Holding Company engaged an independent consultant, from one of the "big four" accounting firms to investigate the quality of outstanding receivables of the Holding Company for the 3 year period - 2012-13, 2013-14 and 2014-15, which was subsequently extended to 31 December 2015. The consultant report also covered certain specific financial transactions, identified during their work procedures including recording of sales invoices/ fixed assets without adequate supporting documents, improper adjustments and unrecorded purchases.

The impact of all the above and those identified thus far based on the procedures the management has performed subsequently has been provided for or written off and disclosed as prior period items (which pertain to transactions prior to 31st March 2015) and exceptional items, which in the opinion of the management, are adequate as on date.

Post receipt of the independent consultant report on 14 March, 2016, the Holding Company has further undertaken the following processes:

- A subcommittee was constituted by the board of directors on 20 March 2016 to look into the findings of independent consultant and recommend on further steps/ actions to be taken to the board.
- Recommended process controls to strengthen the existing systems including improvements to the accounting software and procedures.
- A process of confirmations/ reconciliations with customers was initiated.
- Physical verification of all tangible and intangible assets.
- Physical verification of all its inventories.

There has been override of financial controls resulting in financial mis-management prior to operations being handed over to the present management, and the present management is in the process of completing the impact assessment and determining conclusively the reasons as to why such losses have been caused.

(All amounts in Indian rupees lakhs, unless otherwise stated)

30 Refer note 29, the Holding Company has based on the independent consultant report provided/written off customer balances amounting to ₹ 3,301 (Also, refer note 29(a)). In addition, the company has also initiated a process of confirmation / reconciliation with customers, which is in progress. Based on the additional procedures performed and pending completion of the confirmation/ reconciliation process, the management has on a conservative basis, provided/ written off ₹ 1,948 in addition to the findings in the independent consultant report. In the opinion of the management the above provisions/ write-offs are adequate as on date.

31 Refer note 29 above, the management has based on the indenpendent consultant report, coupled with additional procedures performed by the company, written off fixed assets amounting to ₹ 1,162 (Original cost of the asset ₹ 1,362), wherever it was noticed that the assets were non-existent. In addition, the Holding Company has commenced the process of physical verification of its fixed assets and reconciliation of the same with books of accounts. As at date, the Company has completed the process for certain block of assets. Pending completion of the said process, in the opinion of the management, the write offs are adequate as on date.

32 Refer note 29 above, the Holding Company has during the year performed a 100% physical verification of its inventories and material discrepancies identified were provided as on date. Further, the Holding Company has initiated a process of evaluating and strengthening the existing process

33 During the previous year, the Holding Company has migrated to a new software, which facilitated recording of inventory transactions pertaining to maintenance divisions - stores and spares. This software, due to certain inherent limitations, was not capable of computing the weighted average cost of consumption on transaction basis for the inventory used for rendering the services by maintenance division. During the current year, the issue was addressed for transactions recorded in the current financial year and the Holding Company is in the processing of replicating the same for opening inventory. Accordingly, valuation of the closing stock with respect to the opening stock of this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Holding Company has not being able to ascertain the net realizable value of the inventory pertaining to maintenance divisions.

34 For the year ended 31 March 2016, the Group had a net loss of ₹ 14,504 , negative cash flows of ₹ 730, negative net worth of ₹ 2,270 and current liabilities exceed current assets by ₹ 2,915. These financial indicators cast a significant doubt upon the Group's ability to continue as a going concern. The Group has availed adequate facilities with various banks and strengthened the management team, which should enable the Group to meet its obligations and operate over the next 12 months and accordingly the financials have been prepared on a going concern basis. Subsequent to year end, during the quarter ended 30 June 2016, the Holding Company has also made a cash profit of ₹ 423.

35 Earnings per equity share

Nominal value of equity shares	10	10
Loss attributable to equity shareholders (A)	(14,502)	(94)
Weighted average number of equity shares outstanding) during the year (B)	29,761,873	29,761,873
Basic earnings per equity share (A/B) (in ₹)	**(48.73)**	**(0.32)**
Dilutive effect on profit (C)	-	-
Loss attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(14,504)	(94)
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	29,761,873	29,761,873
Diluted earnings per equity share (D/F) (in ₹)	**(48.73)**	**(0.32)**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
36 Payments to auditors *		
As auditor		
Statutory audit	37	23
Limited review	3	2
Reimbursement of expenses	2	-
Other services	10	-
	52	**25**

*** Exluding service tax**

37 Related parties

a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo, Japan	Holding company
Accel Limited, Chennai	Promoter company
CAC Corporation, Tokyo, Japan	Fellow subsidiary
Accel Systems Group Inc, USA	Subsidiary of promoter company
Accel Transmatic Limited, Chennai	Subsidiary of promoter company
N.R.Panicker (till 31 March 2016)	Key Management Personnel (KMP) (till 31 March 2016)
Malcolm F. Mehta	Key Management Personnel (KMP)
R. Neelakantan	Chief financial officer (KMP) (from 9 June 15)
Shruthi Panicker	Relative of Key Management Personnel (till 31 March 2016)
Sreekumari Panicker	Relative of Key Management Personnel (till 31 March 2016)

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Summary of Significant Accounting Policies and other Explanatory Information

b) Transactions with related parties

₹ in Lakhs

Name of the related party	Year ended 31 March 2016						Year ended 31 March 2015					
	Sale of services	Loan received	Interest expense	Remuneration*	Other expenses	Reimbursements received	Sale of services	Loan received	Interest expense	Remuneration*	Other expenses	Reimbursements received
CAC Holding Corporation, Tokyo, Japan	-	-	294	-	7	217	-	5,529	133	-	-	295
CAC Corporation, Tokyo, Japan	326	-	-	-	-	177	116	-	-	-	-	-
Accel Limited, Chennai	-	-	150	-	87	-	-	-	150	-	86	-
Accel Transmatic Limited, Chennai	8	-	-	-	28	-	-	-	-	-	14	43
Accel Systems Group Inc, USA	-	-	2	-	-	-	-	-	-	-	-	-
N.R.Panicker (till 31 March 2016)	-	-	-	82	30	-	-	-	-	96	27	-
Malcolm F. Mehta #	-	-	-	217	-	-	-	-	-	163	-	-
R. Neelakantan (from 9 June 15)	-	-	-	36	-	-	-	-	-	-	-	-
Shruthi Panicker (till 31 March 2016)	-	-	-	42	-	-	-	-	-	4	-	-
Sreekumari Panicker (till 31 March 2016)	-	-	-	-	9	-	-	-	-	-	9	-

* Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Group as a whole and accordingly is not identifiable separately for the KMPs.
# Payment to Mr Malcolm F Mehta is reimbursed by CAC Holdings Corporation, Tokyo, Japan

c. **Balance with related parties**

₹ in Lakhs

Name of the related party	As at 31 March, 2016				As at 31 March, 2015			
	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables
CAC Holding Corporation, Tokyo, Japan	22	5,892	-	62	7	5,529	-	33
CAC Corporation, Tokyo, Japan	14	-	15	-	-	-	22	-
Accel Limited, Chennai	69	1,366	-	29	-	1,366	-	39
Accel Transmatic Limited, Chennai	-	-	-	-	90	-	-	-
Accel Systems Group Inc, USA	-	5	-	-	-	18	-	-
N.R.Panicker (till 31 March 2016)	18	-	-	-	-	-	-	2
R. Neelakantan	-	-	-	1	-	-	-	-
Sreekumari Panicker (till 31 March 2016)	-	-	-	-	-	-	-	1

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

d) Maximum balances outstanding during the year is in accordance with Schedule V SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 of the listing agreement

₹ in Lakhs

Name of the related party	Year ended 31 March 2016		Year ended 31 March 2015	
	Loans received	Loans and advances	Loans received	Loans and advances
CAC Holding Corporation, Tokyo, Japan	6,026	38	5,527	-
CAC Corporation, Tokyo, Japan	14	-	-	-
Accel Limited, Chennai	1,366	69	1,366	98
Accel Transmatic Limited, Chennai	-	-	-	91

38 Segment reporting

Considering the risk/return profiles of the segments between product and geography, the Group has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting.

"The Group's principal lines of business is IT services which includes, providing system integration (SI) solutions comprising network design, hardware and software, IT Infrastructure management solutions (IMS), software development and support (SSD), warranty management solutions (WMS) and Training for imported and indigenous equipments, development, implementation and maintenance of software applications. The Group has identified secondary segment as geographical segments based on the location of assets into India, Dubai, South-East Asia (SEA) and United States of America (USA)"

Year ended 31 March, 2016 **₹ In Lakhs**

Particulars	SI	IMS	SS	WMS	Training	Unallo-cated	Total
Revenue from operations							
External sales (net of excise duty)	26,177	14,502	8,170	1,993	263	-	51,105
Total revenue from operations	**26,177**	**14,502**	**8,170**	**1,993**	**263**	**-**	**51,105**
Results							
Segment result	858	1,384	(282)	(344)	(61)	-	1,557
Other non-operating income	-	-	-	-		102	102
Unallocated corporate expenses	-	-	-	-		1,509	1,509
Operating profit/(loss)	**858**	**1,384**	**(282)**	**(344)**	**(61)**	**(1,407)**	**150**
Interest and finance charges	-	-	-	-		2,083	2,083
Interest income	-	-	-	-		86	86
Profit/(loss) before tax and prior period items and exceptional items	**858**	**1,384**	**(282)**	**(344)**	**(61)**	**(3,404)**	**(1,847)**
Prior period items	-	-	-	-	-	8,665	8,665
Profit/(loss) before tax and exceptional items	**858**	**1,384**	**(282)**	**(344)**	**(61)**	**(12,069)**	**(10,512)**
Exceptional items	-	-	-	-	-	2,800	2,800
Profit/(loss) before tax	**858**	**1,384**	**(282)**	**(344)**	**(61)**	**(14,869)**	**(13,312)**
Income taxes	-	-	-	-		370	370
Profit/(loss) for the year	**858**	**1,384**	**(282)**	**(344)**	**(61)**	**(15,239)**	**(13,682)**
Other information							
Segment assets	14,846	9,402	4,414	1,664	200	-	30,526
Unallocated corporate assets	-	-	-	-	-	4,808	4,808
Total assets	**14,846**	**9,402**	**4,414**	**1,664**	**200**	**4,808**	**35,334**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Particulars	SI	IMS	SS	WMS	Training	Unallo-cated	Total
Segment liabilities	10,402	9,404	4,864	1,538	313	-	26,520
Unallocated corporate liabilities	-	-	-	-	-	9,259	9,259
Total liabilities	**10,402**	**9,404**	**4,864**	**1,538**	**313**	**9,259**	**35,779**
Capital expenditure	937	24	204	4	2	3	1,173
Depreciation and amortization	453	62	355	133	230	29	1,262

Secondary segment

Particulars	**India**	**Dubai**	**SEA**	**USA**	**Unallocated**	**Total**
Segment revenue	30,175	7,809	8,987	4,224	-	51,105
Segment assets	22,983	3,212	6,610	1,432	1,097	35,334
Capital expenditure	293	20	851	9	-	1,173

Year ended 31 March, 2015 **₹ In Lakhs**

Particulars	SI	IMS	SS	WMS	Training	Unallo-cated	Total
Revenue from operations							
External sales (net of excise duty)	27,212	10,775	7,618	2,665	317	-	48,587
Total revenue from operations	**27,212**	**10,775**	**7,618**	**2,665**	**317**	**-**	**48,587**
Results							
Segment result	424	3818	439	(221)	(42)	-	4418
Other non-operating income	-	-	-	-		83	83
Unallocated corporate expenses	-	-	-	-		702	702
Operating profit/(loss)	**424**	**3818**	**439**	**(221)**	**(42)**	**(619)**	**3,799**
Interest and finance charges	-	-	-	-		2,255	2,255
Interest income	-	-	-	-		65	65
Profit/(loss) before tax and prior period items and exceptional items	**424**	**3818**	**439**	**(221)**	**(42)**	**(2,809)**	**(1,609)**
Prior period items	-	1,433	-	-	-	72	1,505
Profit/(loss) before tax and exceptional items	**424**	**2,385**	**439**	**(221)**	**(42)**	**(2,881)**	**104**
Income Tax	-	-	-	-	-	(216)	(216)
Profit/(loss) for the year	**424**	**2,385**	**439**	**(221)**	**(42)**	**(2,665)**	**320**
Other information							
Segment assets	14,901	13,747	6,472	2,343	120	-	37,583
Unallocated corporate assets	-	-	-	-	-	7,963	7,963
Total assets	**14,901**	**13,747**	**6,472**	**2,343**	**120**	**7,963**	**45,546**
Segment liabilities	10,123	9,862	4,756	1,502	989	-	27,232
Unallocated corporate liabilities	-	-	-	-	-	5,319	5,319
Total liabilities	**10,123**	**9,862**	**4,756**	**1,502**	**989**	**5,319**	**32,551**
Capital expenditure	118	937	707	66	4	-	1,832
Depreciation and amortization	148	288	633	100	34	-	1,203
Other non cash expenditure, net	427	174	133	54	-	30	817

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Secondary segment

Particulars	India	Dubai	SEA	USA	Unallocated	Total
Segment revenue	31,863	5,775	7,324	3,625	-	48,587
Segment assets	32,553	4,146	4,721	2,654	1,471	45,546
Capital expenditure	1,720	3	109	-	-	1,832

39 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2016 and 2015 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ In Lakhs

	As at March 31, 2016	As at March 31, 2015
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	49	100
(ii) Due later than one year and not later than five years	17	33
	66	**133**
Lease payments charged-off to the statement of profit and loss	1,297	946

40 Contingent liabilities

Sales tax	263	75
Service tax	24	30
Income tax	1220	902
Customs duty	411	411
Provident fund	230	184
Others	219	305
Total	**2,376**	**1,907**

41 Commitments

The Group did not have any capital commitments as at the balance sheet date (Previous year: Nil). Other commitments are cancellable at the option of the Group and hence not disclosed.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August 2016

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

Malcolm F. Mehta
Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

FORM AOC - 1

(PURSUANT TO FIRST PROVISO TO SUB SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES.

(All amount in Indian ₹ in Lakhs)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	**Accel Systems & Technologies Pte Ltd**	**Accel Frontline JLT**	**Accel North America Inc**	**Accel Technologies Ltd**	**Accel Japan KK**	**Network Program USA Inc**	**Network Programs (Japan) USA**	**Accel IT Resources Ltd**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016	As on 31-03-2016
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	SGD - Exchange Rate as on 31-03-2016 - 49.0163	AED - Exchange Rate as on 31-03-2016 - 17.9912	USD - Exchange Rate as on 31-03-2016 - 66.3329	GBP - Exchange Rate as on 31-03-2016 - 95.0882	JPY - Exchange Rate as on 31-03-2016 - 0.5906	USD - Exchange Rate as on 31-03-2016 - 66.3329	USD - Exchange Rate as on 31-03-2016 - 66.3329	INR
Reserves & surplus	2,529	190	(872)	(136)	(95)	(365)	(26)	(414)
Total assets	6,127	3,212	1,404	3	493	333	110	206
Total Liabilities	6,127	3,212	1,404	3	493	333	110	206
Investments	-	-	-	-	-	-	-	-
Turnover	7,556	7,809	4,182	-	1,385	259	-	306
Profit before taxation	1,986	(926)	(487)	(29)	88	(121)	(8)	(35)
Provision for taxation	308	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit after taxation	1,677	(926)	(487)	(29)	88	(121)	(8)	(35)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	51	100	100	100	100	100	100	100
% of shareholding	51	100	100	100	100	100	100	100

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

Malcolm F. Mehta
Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

Place : Chennai
Date : 01 August 2016

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Independent Auditor's Report

To the Members of Accel Frontline Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Accel Frontline Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branch at Singapore.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. As detailed in note 30 to the financial statements, the Company has made a provision for bad and doubtful debts and written off as bad debts ₹ 132 lakhs and ₹ 5,117 lakhs, respectively for the year ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹ 9,166 lakhs as at 31 March 2016, the management is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial statements. Our limited review report for the quarter and period ended 31 December 2015 was also qualified in this regard.

9. As disclosed in note 33 to the financial statements, the Company's inventory at maintenance divisions is carried at ₹ 3,823 lakhs as at 31 March 2016 (31 March 2015: ₹ 3,044 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 divisions, 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 2016, changes in inventories of stock-in-trade and spares, prior period expenses, and the consequent impact, on the accompanying financial statements. Our audit opinion on the financial statements for the previous year ended 31 March 2015 and the review reports for the quarters and periods ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified in this regard.

10. As disclosed in note 32 to the financial statements, the Company has provided for an amount of ₹ 750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March 2016. The management is

presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial statements.

11. As disclosed in note 31 to the financial statements, the Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹ 3,104 lakhs and accumulated depreciation of ₹ 2,309 lakhs, in respect of which company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial statements.

12. As disclosed in note 20(a) to the financial statements, revenues aggregating to ₹ 397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would have been higher by ₹ 397 lakhs, ₹ 368 lakhs, ₹ 29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs respectively and net loss for the period after tax would have been higher by ₹ 29 lakhs. Our audit report for the previous year ended 31 March 2015and the review reports for the quarters and periods ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified in this regard.

Qualified Opinion

13. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraphs,the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

14. We draw attention to note 34 to the financial statements which indicates that the Company has incurred loss after tax of ₹ 13,759 lakhs during the year ended 31 March 2016 and, as of that date,the Company's negative reserves amounted to ₹ 5,332 lakhsresulting 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 ₹ 6,458 lakhs.These conditions, along with matters as set forth in note 29 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.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure Aa statement on the matters specified in paragraphs 3 and 4 of the Order.

16. Further to our comments in annexure A, as required by Section 143(3) of the Act, we report that:

a. we have sought and except for the matters/effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtainedall the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph,in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;

c. the reporton the accounts of the branch officeof the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;

e. except for the effects/possible effects of the mattersdescribed in the Basis for Qualified Opinion paragraph,in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

f. the matters described in paragraph 14 under the Emphasis of matter paragraph and paragraph 9 in Annexure B, in our opinion, may have an adverse effect on the functioning of the Company;

g. Mr. N R Panicker, the director of the Company, has not produced a written representation as to whether any Company in which he is a director as on 31 March 2016, had not defaulted in terms of sub-section (2) of the section 164 of the Act. In the absence of this representation, we are unable to comment whether he is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from such directors as on 31 March 2016 and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;

i. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated1 August 2016 as per Annexure B expressed anadverse opinion.

j. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Management has physically verified certain assets during the year and material discrepancies were noticed on such verification which have been properly dealt with in the books of account. As stated in paragraph 11 of the Independent Auditor's report, fixed assets having a gross block and accumulated depreciation of ₹ 3,104 lakhs and ₹ 2,309 lakhs, respectively, have not been physically verified by the management including reconciliation with the books of account during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets').

Accordingly the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. As described in paragraph 10 of the Independent Auditor's Report, material discrepancies noticed on such physical verification have been provided for in the books of

according to the explanations given to us:

i. as detailed in Note 45 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Sumesh E S
Partner
Membership No.: 206931

Place : Chennai
Date : 1 August 2016

Annexure A to the Independent Auditor's Report of even date to the members of Accel Frontline Limited, on the financial statements for the year ended 31 March 2016

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Management has physically verified certain assets during the year and material discrepancies were noticed on such verification which have been properly dealt with in the books of account. As stated in paragraph 11 of the Independent Auditor's report, fixed assets having a gross block and accumulated depreciation of ₹ 3,104 lakhs and ₹ 2,309 lakhs, respectively, have not been physically verified by the management including reconciliation with the books of account during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. As described in paragraph 10 of the Independent Auditor's Report, material discrepancies noticed on such physical verification have been provided for in the books of account,however, due to the reasons mentioned in the said paragraph we are not able to comment upon the appropriateness of the provision so recognized and the consequential impact on the financial statements.

(iii) (a) The Company has not granted during the year any loan, secured or unsecured to companies or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) of the Order is not applicable.

(b) The schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

(₹ in lakhs)

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	827	-	2005-06 to 2009-10	Madras High Court
Income Tax Act,1961	Income tax and interest	315	-	2011-12 to 2012-13	Commissioner of Income Tax (Appeals), Chennai.
Income Tax Act,1961	Income tax and interest	78	-	2010-11	Income Tax Appellate Tribunal, Chennai.
Customs and Excise Act, 1964	Excise duty, interest and penalty	411	175	2014-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Kerala Value Added Tax, 2003	Value added tax, interest and penalty	197	21	2013-14 and 2014-15	Kerala High Court
Kerala Value Added Tax, 2003	Value added tax and interest	44	35	2007-08	Commissioner of Commercial Taxes, Ernakulam
Kerala Value Added Tax, 2003	Value added tax and interest	3	1	2013-14	Deputy Commissioner (Appeals), Ernakulam
Kerala Value Added Tax, 2003	Value added tax and interest	3	1	2013-14	Deputy Commissioner (Appeals), Ernakulam
Kerala Value Added Tax, 2003	Value added taxand interest	2	1	2009-10 and 2010-11	Assistant Commissioner (Appeals), Ernakulam
Kerala Value Added Tax, 2003	Value added tax	1	-	2015-16	Investigation Officer, Kochi.
Orissha Value Added Tax Act, 2004	Value added tax, interest and penalty	10	2	2011-12 and 2012-13	Joint Commissioner of Commercial Taxes, Bhubaneswar

West Bengal Sales Tax Act , 1994	Sales tax, interest and penalty	3	-	2001-02, 2003-04 and 2004-05	Commercial Tax Officer, Kolkata
West Bengal Value Added Tax Act, 2003	Value added tax and interest	1	-	2010-11	Commercial Tax Appellate and Revisional Board, Kolkata
Jharkhand Value Added Tax Act, 2005	Penalty	1	-	2007-08	Commissioner of Commercial Taxes, Ranchi.
Uttar Pradesh Trade Tax Act, 948	Sales tax and interest	1	-	2002-03	Trade Tax Tribunal, Lucknow.
The Employees' Provident Fund And Miscellaneous Provisions Act, 1952	Damages and interest	46	-	1999-2010 and 2012-2013	Employees' Provident Fund Appellate Tribunal, Pune

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) We draw attention to note 29 to the financial statements. We have been explained that these amounts were recognised in the books of account of the Company through override of internal financial controls by the erstwhile management in the earlier years. The management is in the process of deciding the future course of action.

(xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per Sumesh E S
Partner
Membership No.: 206931

Place : Chennai
Date : 1 August 2016

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Accel Frontline Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR

and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Adverse opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2016:

   a) The Company did not have appropriate internal controls over revenue with respect to recognition of revenue, assessment of recoverability of trade receivables which has resulted or could have potentially resulted in material misstatement in the value of the Company's revenue, trade receivables and resultant impact on the loss after tax and the reserves and surplus.

   b) The Company did not have appropriate internal controls over inventory with respect to receipt, issue for production of inventory, and valuation of inventory, which resulted or could have potentially resulted in material misstatement in the value of Company's inventory, trade payables, cost of sales and resultant impact on the loss after tax and the reserves and surplus.

   c) The Company did not have appropriate internal controls over physical verification of fixed assets which resulted or could have potentially resulted in material misstatement in the value of Company's fixed assets, depreciation and resultant impact on the loss after tax and the reserves and surplus.

   d) The Company did not have appropriate internal controls over recording of expenses and accounting of prepaid expenses which resulted or could have potentially resulted in material misstatement in the value of the Company's operating expenses, trade payables and resultant impact on the loss after tax and the reserves and surplus.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

9. In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31 March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

10. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2016 standalone financial statements of the Company, and these material weaknesses has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

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

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

Place : Chennai
Date : 01st August 2016

Balance Sheet

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	(5,332)	8,428
		(2,356)	11,404
Non-current liabilities			
Long-term borrowings	6	5,436	5,190
Long-term provisions	8	798	484
		6,234	**5,674**
Current liabilities			
Short-term borrowings	9	13,823	12,706
Trade payables	10		
Dues to micro and small enterprises		-	-
Dues to others		3,300	3,719
Other current liabilities	11	4,590	3,536
Short-term provisions	8	188	97
		21,901	19,518
Total		**25,779**	**36,596**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	863	2,196
Intangible assets	12	1,884	2,405
Capital work-in-progress		-	25
Intangible assets under development		-	74
Non-current investments	13	2,227	2,468
Deferred tax asset	7	-	61
Long-term loans and advances	14	4,628	5,459
Other non current assets	15	734	845
		10,336	**13,533**
Current assets			
Inventories	16	3,646	4,061
Trade receivables	17	8,818	13,841
Cash and bank balances	18	954	1,386
Short-term loans and advances	14	1,517	1,942
Other current assets	19	508	1,833
		15,443	23,063
Total		**25,779**	**36,596**

Notes 1 to 46 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP Chartered Accountants	For and on behalf of the Board of Directors of **Accel Frontline Limited**	
per **Sumesh E S** Partner	**Malcolm F. Mehta** Executive Director (DIN: 03277490)	**R. Ramaraj** Director (DIN: 00090279)
Place : Chennai **Date :** 01 August, 2016	**R. Neelakantan** Chief Financial Officer	**Sweena Nair** Company Secretary

Statement of Profit and Loss

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE			
Revenue from operations (Gross)	20	32,358	34,065
Less: Excise duty		(109)	(48)
Revenue from operations (Net)		32,249	34,017
Other income	21	98	192
Total Revenue		**32,347**	**34,209**
EXPENSES			
Cost of raw material and components consumed	22	717	126
Purchases of stock-in-trade	23	12,403	13,643
Changes in inventories of Stock-in-trade and stores and spares	24	451	6
Employee benefits expense	25	8,589	7,773
Finance costs	26	1,957	2,128
Depreciation and amortization expense	27	846	1,050
Other expenses	28	11,079	9,084
Total expenses		**36,042**	**33,810**
(Loss)/profit before tax, prior period and exceptional items		**(3,695)**	**399**
Prior period items	29(a)	8,071	1,505
Loss before tax and exceptional items		**(11,766)**	**(1,106)**
Exceptional items	29(b)	1,932	-
Loss before tax		**(13,698)**	**(1,106)**
Tax expense			
Current tax		-	17
Deferred tax		61	(378)
		61	**(361)**
Loss for the year		**(13,759)**	**(745)**
Earnings per equity share (Nominal value₹ 10 per share)	35		
Basic (In ₹)		(46.23)	(2.50)
Diluted (In ₹)		(46.23)	(2.50)

Notes 1 to 46 form an integral part of these financial statements

This is the statement of profit and loss referred to
in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August, 2016

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

Malcolm F. Mehta
Executive Director
(DIN: 03277490)

R. Ramaraj
Director
(DIN: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Cash Flow Statement

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(13,698)	(1,106)
Adjustments for:		
Depreciation and amortization expense	846	1,050
Finance costs	1,957	2,128
Unrealized foreign exchange loss/(gain)	175	(47)
Provision for gratuity and compensated absences	267	326
Loss on sale of fixed assets (net)	12	-
Provision for warranty	138	-
Bad debts written off	1,662	75
Provision for doubtful receivables	132	671
Provision for doubtful advances	51	-
Provision for related party loan	52	-
Provision for diminution in value of investments	-	30
Related party loans written off	56	-
Interest and dividend income	(86)	(145)
Prior period and exceptional items	8,738	-
Operating profit before working capital changes	**302**	**2,982**
Adjustments for:		
Increase in trade payables	121	75
Increase in other current liabilities	609	1,722
Increase in trade receivables	(41)	(3,009)
(Increase)/decrease in inventories	(564)	6
Decrease/(increase) in long-term loans and advances	305	(19)
(Increase)/decrease in short-term loans and advances	(903)	756
Decrease in other current assets	238	108
Cash generated from operations	**67**	**2,621**
Direct taxes refund, net	415	82
Net cash generated from operating activities	**482**	**2,703**
B. Cash flow from investing activities		
Purchase of assets (including capital work in progress and capital advances)	(156)	(1,715)
Sale proceeds on disposal of assets	13	-
Interest and dividend received	37	145
Movement in bank deposits	48	-
Net cash used in investing activities	**(58)**	**(1,570)**
C. Cash flow from financing activities		
Proceeds from short-term borrowings, net	1,117	1,365
Proceeds from long-term borrowings	-	3,649
Repayment of long-term borrowings	(33)	(2,842)
Dividend transferred to Investor's Protection fund	(2)	(1)
Interest paid to banks and related parties	(1,937)	(2,111)
Net cash (used in)/generated from financing activities	**(855)**	**60**
Net cash (decrease)/increase during the year	(430)	1,192
D. Cash and cash equivalents at the beginning	1,380	188
E. Cash and cash equivalents at the end	**950**	**1,380**
Cash and cash equivalents comprise of:		
Cash on hand	4	6
Cheques on hand	49	1,072
Balances with banks - in current accounts	897	302
Cash and cash equivalents as per note 18	**950**	**1,380**

This is the cash flow statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 01 August, 2016

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

Malcolm F. Mehta
Executive Director
(DIN: 03277490)

R. Ramaraj
Director
(DIN: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Summary of significant accounting policies and other explanatory information

1. General Information:

(a) Background:

Accel Frontline Limited ("Accel" or the Company) was incorporated on 8 June 1995. The Company's principal lines of business in IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, development, implementation and maintenance of software applications.

(b) Comparatives:

All amounts in the standalone financial statements are presented in Indian Rupee (₹) in lakhs except per share data and as otherwise stated. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

2. Significant Accounting policies

(a) Basis of preparation of financial statements

These standalone financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India and guidelines issued by the Securities and Exchange Board of India (SEBI). The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include provision for doubtful receivables, investments and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Management believes the estimates are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) Tangible assets and depreciation

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met as per Accounting standards 16 and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes all expenses attributable to bringing the asset to its working condition for its intended use. Cost of tangible assets not ready for the intended use before such date is disclosed as capital work in progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. The useful life of each block of assets is as follows:

Asset	Useful life
Plant and machinery	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 to 6 years
Vehicles	8 to 10 years
Lease hold improvements	Over the lower of estimated useful lives of the assets or the primary period of the lease.

(d) Intangible assets and amortization

Intangible assets acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation.

Summary of significant accounting policies and other explanatory information

Measurement subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Cost of intangible assets not ready for the intended use before such date is disclosed as Intangibles under development.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the company's intangible assets is as below:

Particulars	**Rates (SLM)**
Goodwill	10%
Technical know-how	10%
Software	14.29%

(e) Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of leases are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in the Schedule II to the Companies Act, 2013, whichever is higher. However if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Summary of significant accounting policies and other explanatory information

(h) Inventories

Inventories include raw materials, components, stock in trade, finished goods, stores and spares and work-in progress.

Inventories of raw material, stock-in-trade are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes all charges in bringing the goods to the point of sale. Cost is determined on weighted average cost basis.

Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labor and a portion of the manufacturing overheads. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and estimated cost necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Income from Annual maintenance contracts is recognized proportionately over the period of the respective contracts. Accrued income shown under "other current assets" represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Revenues from maintenance contracts are usually recognized as the service is performed, by the proportionate completion method (pro-rata) over the period of the service as and when services are rendered. The company collects service tax on behalf of the government and remits the same to the government; therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Software Services

Software services are either provided on a time & material basis or on a fixed price basis. IT Services provided on a time & material basis are recognized in the period in which the services are performed. IT Services provided on a fixed price basis are recognized based on the proportionate completion method. Unbilled revenue included under other current assets represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividends

The company recognizes dividend as income only when the right to receive the same is established by the reporting date.

(j) Foreign currency transactions

A foreign currency transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are dealt with in the statement of profit and loss.

Gain or loss on forward exchange contract, not in the nature of hedge, is calculated based on difference between forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate. The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of contract and exchange differences on such contracts is recognised as income or expense in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

(k) Retirement and employee benefits

Provident fund

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

Summary of significant accounting policies and other explanatory information

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined.

Compensated absences

Liability in respect of compensated absences (includes encashable leave) becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined. Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits.

(l) Taxation

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specific period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The company offsets deferred tax assets and deferred tax liabilities if there is a legally enforceable right to set off assets against liabilities representing current tax.

(m) Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset’s recoverable amount is the higher of an asset’s or cash generating unit’s (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

(n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation

Summary of significant accounting policies and other explanatory information

at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;

b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) present obligation, where a reliable estimate cannot be made.

(p) Cash and Cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalent includes cash in hand, cheques on hand, balances with banks in current accounts and other short term highly liquid investments with original maturities of three months or less.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Segment reporting

Identification of segments

Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby loss before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated based on the available information.

3 Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2016 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016		As at March 31, 2015	
		Nos.	Amount	Nos.	Amount
4	**Share capital**				
	Authorised				
	Equity Shares of ₹10 each	33,000,000	3,300	33,000,000	3,300
	Issued, subscribed and fully paid up				
	Equity Shares of ₹10 each	29,761,873	2,976	29,761,873	2,976
		29,761,873	**2,976**	**29,761,873**	**2,976**

a) There was no movement in the share capital dueing the year ended 31 March 2016

b) Shares held by the holding company

	As at March 31, 2016 Nos.	Amount	As at March 31, 2015 Nos.	Amount
Equity shares of ₹10 each				
CAC Holding Corporation,	17,857,125	1,786	17,857,125	1,716

c) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
Equity Shares of ₹10 each				
CAC Holding Corporation, Holding Company	17,857,125	60.00%	17,857,125	60.00%
Accel Limited, Promoter Company	4,281,194	14.38%	4,368,768	14.68%

d) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

e) The Company has achieved the Minimum Public Shareholding (MPS) requirements as stipulated by the listing agreement during the year. The Company was required to comply with the MPS requirement by 31 March 2015 as per the directions issued by Securities and Exchange Board of India (SEBI), whereas the same has been complied with on 12 August 2015 for which the Company wrote to SEBI and obtained an order dated 18 March 2016 revoking all earlier directions

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately preceding 31 March 2016.

₹ in Lakhs

		As at March 31, 2016	As at March 31, 2015
5	**Reserves and surplus**		
	Securities premium reserve	**6,857**	**6,857**
	General reserve	**859**	**859**
	Surplus in the statement of profit and loss		
	Balance at the beginning of the year	712	1,574
	Less : Transferred from statement of profit and loss	13,759)	(745)
	Less: Adjustments consequent to change in useful life of assets (net of deferred tax), (Also refer note 12(iii))	-	(117)
	Balance at the end of the year	**(13,047)**	**712**
		(5,332)	**8,428**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		As at March 31, 2016	As at March 31, 2015
6	**Long-term borrowings**		
	Secured		
	From banks		
	Finance lease obligations (Also, refer note (a) below)	61	94
	From others		
	Loan against keyman insurance policy (Also, refer note (b) below)	129	114
		190	208
	Less: Classified as other current liabilities		
	Current maturities of long-term borrowings (Also, refer note 11)	(22)	(33)
		168	**175**
	Unsecured		
	From others		
	Loans and advances from related parties (Also, refer note (c) below)	5,268	5,015
		5,436	**5,190**

a) The loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The loans are repaid in equated monthly instalments over 60 months from date of loan and carry interest rate between 10% to 15% per annum . Also, refer note 12(v) .
The details of lease commitments in terms of minimum lease payments are as follows:

	As at March 31, 2016		As at March 31, 2015	
Payments falling due:	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Payable not later than 1 year	27	22	41	33
Payable later than one year but not later than 5 years	41	39	68	61
Total	68	61	109	94
Less Amounts representing interest	7	-	15	-
	61	61	94	94

b. Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with maturity value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up.
c. The loans and advances from related parties represents loan from the holding company, CAC Holding Corporations, to the tune of ₹ 3,902 (As at 31 March 2015: 3,649) with an interest rate of 4.5 %+ 6 months LIBOR rate, per annum; the entire amount being repayable in 2021-22 and from Accel Limited to the tune of ₹ 1,366 (As at 31 March 2015: ₹ 1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also, refer note 37(c).

		As at March 31, 2016	As at March 31, 2015
7.	**Deferred tax asset ***		
	The breakup of net deferred tax asset is as follows:		
	Deferred tax liability arising on account of :		
	Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	220	684
	Other items	-	16
		220	**700**
	Deferred tax asset arising on account of :		
	Provision for employee benefits	(324)	(219)
	Provision for doubtful receivables	(79)	(257)
	Provision for diminution in value of investments	(44)	(9)
	Unearned revenue	-	(101)
	Unabsorbed depreciation	(1,383)	(175)
		1,611	**761**
	Net deferred tax asset*	**-**	**61**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
*** Movement during the year**		
Opening balance	61	371
Recognized in the statement of profit and loss	(61)	(378)
Recognized in reserves and surplus	-	(54)
Closing balance	**-**	**(61)**

The Company has not recognised deferred tax asset in respect of carried forward losses and unabsorbed depreciation as the management is doubtful of the virtual certainity of future taxable income.

	As at March 31, 2016		As at March 31, 2015	
	Long term	Short term	Long term	Short term
8 Provisions				
Provisions for employee benefits				
Gratuity (Also refer note a(i) below)	628	74	372	95
Compensated absences (Also refer note a(ii) below)	110	31	107	2
Provision for warranty (Also, refer note (b) below)	60	83	5	-
	798	**188**	**484**	**97**

a) Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	563	341
Current service cost	86	46
Interest cost	45	32
Actuarial loss	140	237
Benefits paid	(97)	(93)
Projected benefit obligation at the end of the year	**737**	**563**
Change in plan assets		
Fair value of plan assets at the beginning of the year	96	164
Expected return on plan assets	8	13
Employer contributions	6	13
Benefits paid	(97)	(93)
Other adjustments	14	-
Actuarial (loss) on plan assets	8	(1)
Fair value of plan assets at the end of the year	**35**	**96**
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	737	563
Fair value of plan assets at the end of the year	35	96
Liability recognized in the balance sheet Thereof	**702**	**467**
Unfunded	702	467

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Components of net gratuity costs are		
Current service cost	86	46
Interest cost	45	32
Expected returns on plan assets	(8)	(13)
Recognized net actuarial loss	132	239
Net gratuity costs recognized in the income statement	**255**	**304**
Principal actuarial assumptions used:		
Discount rate	7.80%	9.00%
Long-term rate of compensation increase	7.50%	5.00%
Expected rate of return on plan assets	8.00%	8.00%
Average remaining life (in years)	25	24
Attrition rate	5%-20%	2.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The following table sets out the present value of defined obligations, fair value of plan assets and the amounts recognized in the financial statement:

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Net (liability) recognized in balance sheet					
Present value of defined benefit obligation	(737)	(563)	(341)	(106)	(93)
Fair value of plan assets	34	96	164	-	-
(Deficit)/Surplus in the plan	(702)	(467)	(177)	(106)	(93)

(ii) Compensated absences

The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :		
Discount rate	7.80%	9.00%
Long-term rate of compensation increase	7.50%	5.00%
Average remaining life	25	24
Attrition rate	5%-20%	2.00%
b) Provision for warranty		
Balance at the beginning of the year	5	-
Created during the year, net	183	5
Reversed during the year	(45)	-
Balance at the end of the year	143	5

A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Company's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Company's warranty terms which provides for a warranty period of about 36 months.

9 Short term borrowings		
Repayable on demand from banks		
Secured:		
- Working capital demand loan	4,500	4,660
- Cash credit	2,215	5,841
- Letter of credit	3,228	2,205
Unsecured:		
- Working capital facility	3,880	-
	13,823	**12,706**

(a) Details of guarantee

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Guaranteed by holding company		
From banks		
- Working capital demand loan	4,500	4,500
- Letter of credit	1,069	1,615
- Cash credit	393	305
Guaranteed by promoter director and promoter company		
From banks		
- Cash credit	1,223	3,590
- Letter of credit	330	55

(b) Details of security

The Company has availed a working capital demand loan worth ₹ 4,500 (as at 31 March 2015: ₹ 4,500) valid till 31 March 2017 from Sumitomo Mitsui Banking Corporation at an interest rate of 10.90% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

The Company has also availed cash credit facility from Sumitomo Mitsui Banking Corporation at an interest rate of 12.6% which is secured by a Corporate Guarantee provided by CAC Holdings corporation, Japan

Cash credits guaranteed by promoter director and promoter company represents:

(i) borrowings availed from SBI bank at an interest rate of 14.35% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Company, including book debts and inventories and first and exclusive charge on certain properties owned by promoter company.

(ii) borrowings availed from IDBI bank at an interest rate of 14% which is secured by pari passu charge on all the current assets and moveable assets of the Company, including book debts and inventories.

Working capital loans guaranteed by promoter director and promoter company represents loan from IDBI at an interest rate of 14% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Company, including book debts and inventories and first and exclusive charge on certain properties owned by the promoter company. The Company has also availed cash credits from Axis bank at an interest rate of 13.40% which is secured by pari passu charge on all the current assets and moveable assets of the Company, including book debts and inventories.

The Company has availed letter of credits from banks which are secured by the hypothecation of goods purchased under the letter of credit.

The Company has availed working capital demand loan from Mizuho Bank during the year at an interest rate of 11% which is unsecured .

₹ in Lakhs

	As at March 31, 2016	As at March 31, 2015
10 Trade payables		
Dues to micro and small enterprises*	-	-
Dues to others (Also, refer note 37(c))	3,300	3,179
	3,300	**3,179**

* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

11 Other current liabilities		
Current maturities of long-term borrowings:		
Finance lease obligations (Also, refer note 6	22	33
Unearned revenue	2,107	2,113
Unpaid dividends	4	6
Statutory dues	220	94
Employee related payables	902	699
Interest accrued but not due (Also, refer note 37(c)	110	105
Other payables	1,225	486
	4,590	**3,536**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

Summary of Significant Accounting Policies and other Explanatory Information

12 Fixed Assets

₹ in Lakhs

Particulars	TANGIBLE ASSETS							INTANGIBLE ASSETS				
	Leasehold improve-ments	Plant and machinery	Furniture and electrical fittings	Office equipment	Comput-ers	Vehicles	Total of tangible assets (A)	Goodwill	Software	Copy rights/ Technical Know how	Total of intangible assets (B)	Grand Total (A+B)
Gross block												
Balance as at 1 April 2014	603	262	312	316	1,899	237	3,629	1,609	2,992	172	4,773	8,402
Adjustments (Also, refer note (vi) below)	-	(26)	3	(5)	(226)	-	(254)	-	254	-	254	-
Additions	2	97	16	5	950	-	1,070	-	533	-	533	1,603
Balance as at 31 March 2015	**605**	**333**	**331**	**316**	**2,623**	**237**	**4,445**	**1,609**	**3,779**	**172**	**5,560**	**10,005**
Additions	-	-	2	9	191	1	202	-	87	-	88	290
Deletions (Also, refer note 29 and 31)	-	(84)	-	-	(1,222)	-	(1,306)	-	(56)	-	(56)	(1,362)
Disposals	-	-	-	-	-	(60)	(60)	-	-	-	-	(60)
Balance as at 31 March 2016	**605**	**249**	**333**	**325**	**1,592**	**178**	**3,281**	**1,609**	**3,810**	**172**	**5,591**	**8,873**
Accumulated depreciation/amortization												
Balance as at 01 April 2014	353	98	210	109	642	97	1,509	449	2,140	85	2,674	4,183
Depreciation/amortization for the year	93	(8)	5	53	412	14	569	135	312	34	481	1,050
Adjustments	-	3	30	96	39	3	171	-	-	-	-	171
Balance as at 31 March 2015	**446**	**93**	**245**	**258**	**1,093**	**114**	**2,249**	**584**	**2,452**	**119**	**3,155**	**5,404**
Depreciation/amortization for the year	55	18	14	45	239	28	399	161	267	18	447	846
Reversal on deletions (Also, refer note 29 and 31)	-	(3)	-	-	(193)	-	(196)	-	(4)	-	(4)	(200)
Reversal on disposal of assets	-	-	-	-	-	(33)	(33)	-	-	-	-	(33)
Impairment (Also refer note (iv) and 29(b))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**110**	**-**	**110**	**110**
Balance as at 31 March 2016	**501**	**108**	**259**	**303**	**1,139**	**109**	**2,419**	**745**	**2,825**	**137**	**3,708**	**6,127**
Net block												
Balance as at 31 March 2015	**159**	**240**	**86**	**58**	**1,530**	**123**	**2,196**	**1,025**	**1,327**	**53**	**2,405**	**4,601**
Balance as at 31 March 2016	**104**	**141**	**74**	**22**	**453**	**68**	**863**	**864**	**985**	**35**	**1,884**	**2,747**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

(i) Capital work in progress amounting to Nil (As at 31 March 2015: ₹ 25) as appearing in the balance sheet represents capital assets which are pending completion/installation.

(ii) As at 31 March 2016, the Company has incurred expenditure to the tune of Nil (As at 31 March 2015: ₹ 74) for software development which was not operational as at the balance sheet date. This expenditure has been disclosed as "Intangible assets under development".

(iii) Hitherto, depreciation on all tangible assets was provided on a straight-line method over the estimated useful life using the rates prescribed under Schedule XIV of the erstwhile Companies Act, 1956. Effective 1 April 2014, in accordance with Schedule II of the Companies Act, 2013, the Company has re-assessed the useful life and adopted the rates prescribed except for certain computers for which the Company has carried out certain technical evaluation to assess the useful life based on which the useful life has been determined to be higher than the life prescribed by Schedule II. Had the Company continued to use the earlier estimate for depreciation of all tangible assets the loss for the year ended 31 March 2015 would have been lower by ₹ 145 and further an amount of ₹ 117 (net of deferred taxes) has been charged to the opening balance of the reserves and surplus in respect of the assets whose remaining life is Nil as at 1 April 2014 in accordance with Schedule II to the Act.

(iv) As at 31 March 2016, the Company has assessed the indications of impairment and identified that certain computer and application software needs to be impaired on account of no future economic outflow from such softwares. Since, no cash flows could be estimated the Company has impaired the carrying value of such assets amounting to ₹ 110. (Also refer note 29 (b)).

(iv) The gross block and net carrying amount of the assets acquired under finance lease are as follows:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Gross block	Net block	Gross block	Net block
Vehicles	92	51	102	69
Computers	74	41	63	48
Total	**166**	**92**	**165**	**117**

(v) Adjustments refers to reclassification of certain assets among the different classes based on their nature.

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Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016	As at March 31, 2015
13 Non-current investments			
Trade Investments (Valued at cost unless stated otherwise)			
Investments in equity instruments - Unquoted			
Investments in Subsidiaries			
Accel Systems & Technologies Pte. Limited, Singapore (11,730,000 (Previous year - 11,730,000) shares of SGD 0.10 each fully paid)		775	775
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai) (300 (Previous year-300) share of AED 1,000 fully paid up)		120	120
Accel Japan KK, Japan (212 (Previous year : 212) ordinary shares of JPY 50,000 each and JPY 15,855,000 (Previous year: JPY 15,855,000) share application money pending allotment)		118	118
Network Programs (Japan), Inc., USA (1500 (Previous year: 1500) shares without par value fully paid)		224	224
Network Programs (USA) Inc., USA (1000 (Previous year: 1000) shares of $ 1 each fully paid)		51	51
Accel North America Inc., USA (655,000 (Previous year : 655,000) shares of $1 each fully paid up)		373	373
Accel IT Resources Limited, India (3,000,000 (Previous year : 3,000,000) shares of ₹10 each fully paid up)		790	790
Accel Technologies Ltd, UK (19,500 (Previous year : 19,500) equity shares of GBP.1/- each fully paid up)		17	17
		2,468	**2,468**
Less: Provision for diminution in the value of investment		(241)	-
	(A)	**2,227**	**2,468**
Other companies			
Telesis Global Solutions Limited, India (96,374 (Previous year : 96,374) equity shares of ₹ 1 each fully paid up)		30	30
Less: Provision for diminution in the value of investment		(30)	(30)
	(B)	-	-
	Total (A+B)	2,227	2,468

	As at March 31, 2016	As at March 31, 2015
Aggregate amount of unquoted investments	2,498	2,498
Aggregate provision for diminution in value of investments	(271)	(30)
Extent of Investment in subsidiaries		
Accel Systems & Technologies Pte. Limited, Singapore	51%	51%
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	100%	100%
Accel Japan KK, Japan	100%	100%
Network Programs (Japan), Inc., USA	100%	100%
Network Programs (USA) Inc., USA	100%	100%
Accel North America Inc., USA	100%	100%
Accel IT Resources Limited, India	100%	100%
Accel Technologies Ltd, UK	100%	100%

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2016		As at March 31, 2015	
		Long term	**Short term**	**Long term**	**Short term**
14	**Loans and advances***				
	Unsecured, considered good				
	Capital advances	-	-	35	-
	Security deposits	372	-	269	-
	Rental deposit	437	-	449	-
	Prepaid expenses	250	976	528	1,155
	Balances with government authorities	287	70	462	88
	Loan to related parties #	-	404	-	512
	Advance income-tax (net of provision for tax	3,210	-	3,625	-
	MAT credit entitlement	67	-	67	-
	Other loans and advances	25	150	24	187
		4,648	1,600	5,459	1,942
	Less: Provisions for doubtful advances	(20)	(83)	-	-
	Total	**4,628**	**1,517**	**5,459**	**1,942**

* No amount is due from officers of the company.

Represents loans given to subsidiaries on account of working capital requirements and the same are repayable on demand bearing Nil rate of interest.

		As at March 31, 2016	As at March 31, 2015
15	**Other non current assets**		
	Non-current bank balances (Also, refer note 18)	642	690
	Long-term trade receivables		
	Customer retention - Unsecured, considered good	92	155
		734	**845**
16	**Inventories *(Valued at Cost)***		
	Raw materials	178	83
	Stock-in-trade (includes goods-in-transit: Nil (As at 31 March 15: ₹ 104))	836	544
	Stores and spares (includes goods-in-transit: ₹ 47 (As at 31 March 15: Nil)	3,823	3,434
	Provision for inventories (Also, refer note 32)	(1,191)	-
		3,646	**4,061**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

			As at March 31, 2016	As at March 31, 2015
17	**Trade receivables***			
	(Unsecured)			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Considered good		1,003	3,004
	Considered doubtful		234	792
			1,237	**3,796**
	Less :Provision for doubtful receivables (Also, refer note 30)		(234)	(792)
		(A)	**1,003**	**3,004**
	Other receivables			
	Considered good		7,815	10,837
	Considered Doubtful		22	-
			7,837	10,837
	Less :Provision for doubtful receivables (Also, refer note 30)		(22)	-
		(B)	**7,815**	**10,837**
		Total (A+B)	**8,818**	**13,841**
18	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		4	6
	Cheques on hand		49	1,072
	Balances with banks in current accounts		897	302
		(A)	**950**	**1,380**
	Other bank balances			
	Unpaid dividend account		4	6
	Balances with bank held as margin money		642	690
		(B)	**646**	**696**
	Less : Amounts disclosed as other non-current assets (Also, refer note 15)	**(C)**	**(642)**	**(690)**
		Total (A+B-C)	**954**	**1386**
19	**Other current assets**			
	Unbilled revenue		422	1,779
	Interest accrued on fixed deposits		49	-
	Other receivables		37	54
			508	**1,833**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2016	Year ended March 31, 2015
20	**Revenue from operations**		
	Sale of goods	13,351	15,125
	Sale of services	19,007	18,940
	Revenue from operations (Gross)	**32,358**	**34,065**
	Less : Excise duty	(109)	(48)
	Revenue from operations (Net)	**32,249**	**34,017**

a) During the year 2014-15, the Company has recognized revenue of ₹ 397 with a corresponding cost in changes in inventories of stock-in-trade of ₹ 368 for shipments made during the year whereas the shipment was received and acknowledged by the customer after 31 March 2015. The management believes that the risk relating to the shipments has been transferred before 31 March 2015 and hence believes that this accounting treatment reflects a true and fair view.

	Year ended March 31, 2016	Year ended March 31, 2015
Details of products sold / service rendered		
Manufactured goods		
(i) Multifunction Kiosk	27	88
(ii) Queue Management Systems	29	79
(iii) Touch Screen Information Kiosk	550	56
(iv) Others*	260	23
Total	**866**	**246**
Traded goods		
(i) Servers, Desktops & Laptops	8,956	7,868
(ii) Software	1,199	2,706
(iii) Spares, Accessories & Network products	1,475	2,426
(iv) Others*	855	1,879
Total	**12,485**	**14,879**
Services rendered		
(i) Software Services	4,942	5,501
(ii) AMC and Facility Management Services	12,072	10,774
(iii) Warranty Services	1,993	2,665
Total	**19,007**	**18,940**

* Individually less than 10% of the products sold/services rendered

		Year ended March 31, 2016	Year ended March 31, 2015
21	**Other income**		
	Interest income	86	65
	Dividend income	-	80
	Net foreign exchange gain	-	45
	Other non-operating income	12	2
		98	**192**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2016	Year ended March 31, 2015
22	**Cost of raw material and components consumed**		
	Opening stock	83	82
	Add : Purchases during the year	753	127
	Less: Closing stock	178	83
	Add: Provision for inventories	59	-
		717	**126**
	Details of raw materials and components consumed		
	Opening stock		
	(i) Monitors, CPU Assemblies, LCD	6	7
	(ii) Printers	9	7
	(iii) Spares and accessories	68	68
	Total	**83**	**82**
	Raw material purchases		
	(i) Monitors, CPU Assemblies, LCD	401	51
	(ii) Printers	50	27
	(iii) Spares and accessories	137	49
	(iv) Others*	164	-
	Total	**752**	**127**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD	60	6
	(ii) Printers	17	9
	(iii) Spares and accessories	69	68
	(iv) Others*	32	-
	Total	**178**	**83**
	Consumption details		
	((i) Monitors, CPU Assemblies, LCD	347	52
	(ii) Printers	42	25
	(iii) Spares and accessories	136	49
	(iv) Others*	133	-
	Add: Provision for inventories	59	-
	Total	**717**	**126**

* Individually less than 10% of the total consumption.

		Year ended March 31, 2016	Year ended March 31, 2015
23	**Purchases of Stock-in-Trade**		
	(i) Servers, desktops and laptops	6,365	6,275
	(ii) Softwares	1,630	2,446
	(iii) Spares, accessories and network products	1,497	2,263
	(iv) Others*	2,911	2,659
		12,403	**13,643**

* Individually less than 10% of the total purchases

		Year ended March 31, 2016	Year ended March 31, 2015
24	**Changes in inventories of stock-in-trade and stores and spares**		
	Closing stock:		
	Stock-in-trade	836	544
	Stores and spares	3,823	3,434
	Add: Provision for inventories	(1,132)	-
		3,527	**3,978**

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

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2016	Year ended March 31, 2015
	Opening stock:		
	Stock-in-trade	544	1,452
	Stores and spares	3,434	2,532
		3,978	**3,984**
	Net decrease in inventories	**451**	**6**
25	**Employee benefits expense**		
	Salaries and wages	7,721	6,930
	Gratuity expense (Also, refer note 8 (a))	255	304
	Contribution to provident and other defined contribution funds	471	392
	Staff welfare expenses	142	147
		8,589	**7,773**
26	**Finance costs**		
	Interest expenses	1,739	1,873
	Bank charges	218	255
		1,957	2,128
27	**Depreciation and amortization expense**		
	Depreciation of tangible assets (Also, refer note 12)	399	569
	Amortization of intangible assets (Also, refer note 12)	447	481
		846	**1,050**
28	**Other expenses**		
	Sub-contracting and outsourcing cost	4,527	3,942
	Printing and stationery	101	86
	Power and fuel	229	231
	Rent	915	927
	Repairs and maintenance		
	Leased premises	243	247
	Equipments	12	15
	Others	107	74
	Insurance	75	63
	Rates and taxes	165	140
	Travelling and conveyance	842	1,006
	Communication expenses	348	484
	Freight and forwarding	377	395
	Legal and professional fees	458	357
	Directors' sitting fees	31	13
	Payments to auditors (Also, refer note 36)	52	25
	Loss on sale of fixed assets (net)	12	-
	Loss on foreign currency transactions, net	272	-
	Provision for warranty	138	-
	Bad debts written off (Also, refer note 30)	1,662	75
	Provision for doubtful receivables (Also, refer note 30)	132	671
	Provision for doubtful advances	51	-
	Provision for diminution in value of investment	-	30
	Provision for related party loan	52	-
	Related party loans written-off	56	-
	Miscellaneous expenses	222	303
		11,079	9,084

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
29 Prior period and exceptional items		
a) Prior period items		
Bad debts written-off	3,301	-
Unbilled revenue written-off	1,136	-
Purchase of Stock in trade	1,133	-
Fixed assets written-off	1,081	-
Sub- contracting charges	618	-
Advances written-off	721	-
Rates and taxes	81	-
Unearned revenue carried forward	-	1,433
Employee benefits expense	-	72
Total	**8,071**	**1,505**
b) Exceptional items		
Provision for inventory	980	-
Purchase of stock in trade	291	-
Provision for investments	241	-
Impairment of intangible assets	110	-
Bad debts written-off	154	-
Tangible assets written-off	81	-
Advances written-off	75	-
Total	**1,932**	**-**

c) During the financial year 2015-16, effective 5 May 2015, the operational control of the IT Technology Services ('ITS') and Software Services Division ('SSD') were handed over to the present Executive Director of the Company by the erstwhile Executive Chairman of the Company who was operationally managing such divisions till the hand over. Effective 18 September, 2015, the entire operational control and management of the remaining divisions of the company, viz., Warranty Management Services ('WMS') and all its subsidiaries, were handed over to the present Executive Director of the Company by the erstwhile Executive Chairman of the Company who was operationally managing such division/ subsidiaries till the hand over.

The erstwhile Executive Chairman's term as a director of the Company ended on 31 March 2016 and he has ceased to be a director of the Company with effect from such date.

In August 2015, certain concerns had been raised by the Audit Committee to the Board on the quality of trade receivables. The internal auditors were instructed by the Audit Committee to carry out line item-wise check on the trade receivables. The need for a general provisioning policy was also recommended by the statutory auditors. The interim report of the internal auditors was tabled in the November 2015 Board Meeting. Based on this report the new management provided for certain bad and doubtful debts. The report had findings that needed further confirmation which was looked into by the newly appointed Chief financial officer. The Chief financial officer provided an internal note to the Audit Committee which called for a Board Meeting in early December 2015. Consequently, in December 2015, the Company engaged an independent consultant, from one of the "big four" accounting firms to investigate the quality of outstanding receivables of the Company for the 3 year period - 2012-13, 2013-14 and 2014-15, which was subsequently extended to 31 December 2015. The consultant report also covered certain specific financial transactions, identified during their work procedures including recording of sales invoices/ fixed assets without adequate supporting documents, improper adjustments and unrecorded purchases.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

The impact of all the above and those identified thus far based on the procedures the management has performed subsequently has been provided for or written off and disclosed as prior period items (which pertain to transactions prior to 31st March, 2015) and exceptional items, which in the opinion of the management, are adequate as on date.

Post receipt of the independent consultant report on 14 March 2016, the Company has further undertaken the following processes:

- A subcommittee was constituted by the board of directors on 20 March 2016 to look into the findings of independent consultant and recommend on further steps/ actions to be taken to the board.
- Recommended process controls to strengthen the existing systems including improvements to the accounting software and procedures.
- A process of confirmations/ reconciliations with customers was initiated.
- Physical verification of all tangible and intangible assets.
- Physical verification of all its inventories.

There has been override of financial controls resulting in financial mis-management prior to operations being handed over to the present management, and the present management is in the process of completing the impact assessment and determining conclusively the reasons as to why such losses have been caused.

30 The Company has based on the independent consultant report provided/written off customer balances amounting to ₹ 3,301 (Also, refer note 29(a)). In addition, the company has also initiated a process of confirmation / reconciliation with customers, which is in progress. Based on the additional procedures performed and pending completion of the confirmation/ reconciliation process, the management has on a conservative basis, provided/written off ₹ 1,948 in addition to the findings in the independent consultant report. In the opinion of the management the above provisions/ write-offs are adequate as on date.

31 Refer note 29 (a) and (b) above, the management has based on the independent consultant report, coupled with additional procedures performed by the company, written off fixed assets amounting to ₹ 1,162 (Original cost of the asset ₹ 1,362), wherever it was noticed that the assets were non-existent. In addition, the Company has commenced the process of physical verification of its fixed assets and reconciliation of the same with books of accounts. As at date, the Company has completed the process for certain block of assets. Pending completion of the said process, in the opinion of the management, the write offs are adequate as on date.

32 Refer note 29 above, the Company has during the year performed a 100% physical verification of its inventories and material discrepancies identified were provided as on date. Further, the Company has initiated a process of evaluating and strengthening the existing process

33 During the previous year, the Company has migrated to a new software, which facilitated recording of inventory transactions pertaining to maintenance divisions - Stores and spares. This software, due to certain inherent limitations, was not capable of computing the weighted average cost of consumption on transaction basis for the inventory used for rendering the services by maintenance division. During the current year, the issue was addressed for transactions recorded in the current financial year and the company is in the processing of replicating the same for opening inventory. Accordingly, valuation of the closing stock with respect to the opening stock of this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Company has not being able to ascertain the net realizable value of the inventory pertaining to maintenance divisions.

34 For the year ended 31 March 2016, the Company had a net loss of ₹ 13,759, negative cash flows of ₹ 430, negative net worth of ₹ 2,356 and current liabilities exceed current assets by ₹ 6,458. These financial indicators cast a significant doubt upon the company's ability to continue as a going concern. The Company has availed adequate facilities with various banks and strengthened the management team, which should enable the company to meet its obligations and operate over the next 12 months and accordingly the financials have been prepared on a going concern basis. Subsequent to year end, during the quarter ended 30 June 2016, the Company has also made a cash profit of ₹ 423.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		Year ended March 31, 2016	Year ended March 31, 2015
35	**Earnings per equity share**		
	Nominal value of equity shares	10.00	10.00
	(Loss)/profit attributable to equity shareholders (A)	(13,759)	(745)
	Weighted average number of equity shares outstanding during the year (B)	29,761,873	29,761,873
	Basic earnings per equity share (A/B) (in ₹)	**(46.23)**	**(2.50)**
	Dilutive effect on profit (C)	-	-
	(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(13,759)	(745)
	Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
	Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	29,761,873	29,761,873
	Diluted earnings per equity share (D/F) (in ₹)	**(46.23)**	**(2.50)**
36	**Payment to auditors**		
	As auditor		
	Statutory audit	37	23
	Limited review	3	2
	Reimbursement of expenses	2	-
	Other services	10	-
		52	**25**

*** excluding service tax**

37 Related parties

a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo Japan	Holding company
Accel Limited, Chennai	Promoter company
CAC Corporation, Tokyo Japan	Fellow subsidiary
Accel Systems & Technologies Pte Limited	Subsidiary
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	Subsidiary
Accel Japan KK, Japan	Subsidiary
Network Programs (Japan), Inc., USA	Subsidiary
Network Programs (USA) Inc., USA	Subsidiary
Accel North America Inc., USA	Subsidiary
Accel IT Resources Limited, India	Subsidiary
Accel Technologies Ltd, UK	Subsidiary
Accel Transmatic Ltd	Subsidiary
N.R.Panicker	Subsidiary of promoter company
Malcolm F. Mehta	Key Management Personnel (KMP) (till 31 March 2016)
R. Neelakantan	Key Management Personnel (KMP)
Shruthi Panicker	Chief financial officer (KMP) (from 9 June 15)
Sreekumari Panicker	Relative of Key Management Personnel (till 31 March 2016)
	Relative of Key Management Personnel (till 31 March 2016)

Summary of significant accounting policies and other explanatory information

b) Transactions with related parties

	Year ended 31 March 2016					Year ended 31 March 2015						
Name of the related party	Sale of services	Interest expense	Remuneration*	Other expense	Reimbursements received	Sale of services	Loan received	Interest expense	Remuneration*	Dividend (received)	Other expense	Reimbursements received
CAC Holding Corporation, Tokyo, Japan	-	206	-	-	217	-	3,649	76	-	-	-	295
CAC Corporation, Tokyo, Japan	-	-	-	-	177	-	-	-	-	-	-	-
Accel Limited, Chennai	-	150	-	87	-	-	-	150	-	-	86	-
Accel Systems & Technologies Pte Limited, Singapore	-	-	-	-	-	5	-	-	-	(80)	-	11
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	-	-	-	-	-	326	-	-	-	-	-	-
Network Programs (USA) Inc., USA	228	-	-	-	-	44	-	-	-	-	-	-
Accel North America Inc., USA	2,152	-	-	-	-	2,106	-	-	-	-	-	-
Accel IT Resources Limited, India	1	-	-	44	-	-	-	-	-	-	-	-
Accel Transmatic Limited, Chennai	8	-	-	28	-	-	-	-	-	-	14	43
N.R.Panicker (till 31 March 2016)	-	-	82	30	-	-	-	-	96	-	27	-
Malcolm F. Mehta #	-	-	217	-	-	-	-	-	163	-	-	-
R Neelakantan (from 9 June 2015)	-	-	36	-	-	-	-	-	-	-	-	-
Shruthi Panicker (till 31 March 2016)	-	-	2	-	-	-	-	-	4	-	-	-
Sreekumari Panicker (till 31 March 2016)	-	-	-	9	-	-	-	-	-	-	9	-

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs.

Payment to Mr Malcolm F Mehta is reimbursed by CAC Holdings Corporation

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

c) Balance with related parties

	As at 31 March 2016				As at 31 March 2015			
Name of the related party	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables	Advances/ Amount recov-erable	Loans Payable	Trade receivables	Payables
CAC Holding Corporation, Tokyo Japan	22	3,902	-	38	7	3,649	-	30
CAC Corporation, Tokyo Japan	14	-	-	-	-			
Accel Limited, Chennai	69	1,366	-	29	-	1,366	-	39
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	158	-	-	-	204	-	622	-
Accel Japan KK, Japan	-	-	-	-	2	-	-	-
Network Programs (Japan), Inc. USA					-	-	-	-
Network Programs (USA) Inc., USA	8	-	145	-	13	-	23	-
Accel North America Inc., USA	-	-	260	-	-	-	715	-
Accel IT Resources Limited, Chennai	218	-	1	5	188	-	-	-
Accel Technologies Ltd, UK	52	-	-	-	55	-	-	-
Accel Transmatic Ltd	-	-	-	-	90	-	-	-
N.R.Panicker (till 31March 2016)	18	-	-	-	-	-	-	2
R Neelakantan	-	-	-	1	-	-	-	-
Sreekumari Panicker (till 31March 2016)	-	-	-	-	-	-	-	1

d) Maximum balances outstanding during the year in accordance with clause 32 of the listing agreement

	Year ended 31 March 2016		Year ended 31 March 2015	
Name of the related party	Loans received	Loans and advances	Loans received	Loans and advances
CAC Holding Corporation, Japan	4,036	38	3,649	-
CAC Corporation, Tokyo Japan	14	-	-	-
Accel Limited, Chennai	1,366	69	1,366	98
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	-	204	-	315
Network Programs (USA) Inc., USA	-	13	-	71
Accel North America Inc., USA	-	-	-	-
Accel IT Resources Limited, Chennai	-	203	-	337
Accel Technologies Ltd, UK	-	-	-	55
Accel Japan, KK, JAPAN	-	2	-	2
Accel Transmatic Ltd	-	-	-	91

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

38 Unhedged foreign currency exposure*

Particulars of unhedged foreign currency exposure as at the reporting date

₹ **In Lakhs**

Particulars	In USD	In GBP	In JPY	In AED	In AUD	In Rupee equivalent
a) Trade receivables including retention net of advances	16	-	-	0	-	1,078
(Previous year)	38	0	11	-	0	2,382
b) Loans and advances	2	1	-	1	-	218
(Previous year)	2	1	3	1	-	316
c) Trade payables	-	-	-	-	-	-
(Previous year)	0	-	-	-	-	23
d) Loans payable	59	-	-	-	-	3,902
(Previous year)	59	-	-	-	-	3,649
e) Interest payable	1	-	-	-	-	38
(Previous year)	0	-	-	-	-	30

*Amounts below the rounding off norm adopted by the company is shown as ‘0’

39 Segment reporting

“Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting””. The Company does not have any secondary segment.

The Company’s principal lines of business is IT services which includes, providing system integration (SI) solutions comprising network design, hardware and software, IT Infrastructure management solutions (IMS), software development and support (SS) and warranty management solutions (WMS) for imported and indigenous equipments, development, implementation and

Year ended 31 March 2016

₹ **In Lakhs**

Particulars	SI	IMS	SS	WMS	Others	Total
Revenue from operations						
External sales(Net of excise duty)	13,242	12,072	4,942	1,993	-	32,249
Other operating income			-			
Total revenue from operations	**13,242**	**12,072**	**4,942**	**1,993**	**-**	**32,249**
Results						
Segment result	(551)	547	22	(344)	-	(326)
Other non-operating income	-	-	-	-	12	12
Unallocated corporate expenses	-	-	-	-	1,510	1,510
Operating profit/(loss)	**(551)**	**547**	**22**	**(344)**	**(1,498)**	**(1,824)**
Interest and finance charges	-	-	-	-	1,957	1,957
Interest and dividend income	-	-	-	-	86	86
Profit/(loss) before tax, prior period items and excpetional items	**(551)**	**547**	**22**	**(344)**	**(3,369)**	**(3,695)**
Prior period items	-	-	-	-	8,071	8,071
Profit/(loss) before tax and exceptional items	**(551)**	**547**	**22**	**(344)**	**(11,440)**	**(11,766)**
Exceptional items	-	-	-	-	1,932	1,932
Profit/(loss) before tax	**(551)**	**547**	**22**	**(344)**	**(13,372)**	**(13,698)**
Income taxes	-	-	-	-	61	61

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Particulars	SI	IMS	SS	WMS	Others	Total
Profit/(loss) after tax	**(551)**	**547**	**22**	**(344)**	**(13,433)**	**(13,759)**
Other information						
Segment assets	6,437	8,472	2,916	1,664	-	19,489
Unallocated corporate assets	-	-	-	-	6,290	6,290
Total assets	**6,437**	**8,472**	**2,916**	**1,664**	**6,290**	**25,779**
Segment liabilities	6,210	8,213	2,204	1,538	-	18,164
Unallocated corporate liabilities	-	-	-	-	9,971	9,971
Total liabilities	**6,210**	**8,213**	**2,204**	**1,538**	**9,971**	**28,135**
Capital expenditure	66	24	196	4	2	290
Depreciation and amortization	74	62	346	133	230	846
Impairment	-	-	-	-	110	110

Year ended 31 March 2015

₹ In Lakhs

Particulars	SI	IMS	SS	WMS	Others	Total
Revenue from operations						
External sales(Net of excise duty)	15,077	10,774	5,501	2,665	-	34,017
Total revenue from operations	**15,077**	**10,774**	**5,501**	**2,665**	**-**	**34,017**
Results						
Segment result	539	2,213	530	(221)	-	3,061
Other non-operating income	-	-	-	-	48	48
Unallocated corporate expenses	-	-	-	-	727	727
Operating profit/(loss)	**539**	**2,213**	**530**	**(221)**	**(679)**	**2,382**
Interest and finance charges	-	-	-	-	2,128	2,128
Interest and dividend income	-	-	-	-	145	145
Profit/(loss) before tax and prior period items	**539**	**2,213**	**530**	**(221)**	**(2,662)**	**399**
Prior period items	-	1,433	-	-	72	1,505
Profit/(loss) before tax	**539**	**780**	**530**	**(221)**	**(2,734)**	**(1,106)**
Income taxes	-	-	-	-	(361)	(361)
Profit/(loss) after tax	**539**	**780**	**530**	**(221)**	**(2,373)**	**(745)**
Other information						
Segment assets	8,239	13,747	5,309	2,343	-	29,638
Unallocated corporate assets	-	-	-	-	6,958	6,958
Total assets	**8,239**	**13,747**	**5,309**	**2,343**	**6,958**	**36,596**
Segment liabilities	5,307	9,862	2,468	1,502	-	19,139
Unallocated corporate liabilities	-	-	-	-	6,053	6,053
Total liabilities	**5,307**	**9,862**	**2,468**	**1,502**	**6,053**	**25,192**
Capital expenditure	7	939	707	63	-	1,716
Depreciation and amortization	34	288	628	100	-	1,050
Other non cash expenditure, net	426	174	84	62	30	776

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		Year ended March 31, 2016	Year ended March 31, 2015
40	**Earnings in foreign currency (accrual basis)**		
	Dividend	-	80
	Export of goods on FOB basis	1,259	1,722
	Export of services	4,289	4,848
		5,548	**6,650**
41	**Expenditure in foreign currency (accrual basis)**		
	Interest	206	76
	Purchase of stock in trade	1,801	1,532
	Travelling and conveyance	215	236
	Others	-	44
		2,221	**1,888**
42	**Value of imports on CIF basis**		
	Components	603	416
		603	**416**

43 Overseas branch operation

During the year, the branch at Singapore in the name of "Accel Frontline Limited - Singapore Branch" continued its operation. The revenue and expenses of the said Branch have been included in the financials of the Company against each line item, translated into Indian rupees, as applicable. The summary of the financials of the Branch is as follows:

Particulars	31st March, 2016		31st March, 2015	
	In USD Lakhs	In INR Lakhs	In USD Lakhs	In INR Lakhs
Turnover	19	1,259	28	1,722
Net profit after tax	(1)	(33)	1	86
Sundry debtors	3	200	7	415
Sundry creditors	12	786	3	216
Income tax- provision*	(0)	(0)	0	5

44 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2016 and 2015 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ In Lakhs

	As at March 31, 2016	As at March 31, 2015
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	49	100
(ii) Due later than one year and not later than five years	17	33
	66	**133**
Lease payments charged-off to the statement of profit and loss	915	927

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		As at March 31, 2016	As at March 31, 2015
45	**Contingent Liabilities**		
	Claims against the company not acknowledged as debt		
	Sales tax	263	74
	Service tax	-	6
	Income tax	1220	903
	Corporate guarantee	3,690	3,453
	Customs duty	411	411
	Provident fund	46	-
	Others	219	305
	Total	**5,849**	**5,152**

46 Commitments

The Company did not have any capital commitments as at the balance sheet date. Other commitments are cancellable at the option of the company and hence not disclosed.

This is the summary of significant accounting policies and other explanatory information referred to in our report of eve date.

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

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

Malcolm F. Mehta
Executive Director
(DIN: 03277490)

R. Ramaraj
Director
(DIN: 00090279)

R. Neelakantan
Chief Financial Officer

Sweena Nair
Company Secretary

Place : Chennai
Date : 1 August 2016

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration number	18-31736
Balance Sheet date	March 31, 2016

II Capital raised during the year (Amount in Rs. Lakhs)

Public Issue	Nil
Bonus Issue	Nil

Rights Issue	Nil
Private Placement	Nil

Total Liabilities	16,903.00

Total Assets	16,903.00

III Sources of funds

Paid up capital	2,976.00
Secured loans	10,111.00
Deferred tax liability	-

Reserves and surplus	(5,332.00)
Unsecured loans	9,148.00

Application of funds

Net fixed assets	2,746.65
Net current assets	11,929.35

Investments	2,227.00
Misc. expenditure	-

IV Performance of company (Amount in Rs.Lakhs)

Sources of funds

Turnover	32,347.00
Profit / (loss) before tax	(13,698.47)
Earnings per share in Rs.	(46.23)

Total expenditure	46,045.47
Profit / (loss) after tax	(13,759.47)
Dividend as %	0

V Generic names of three principal products / services of company (as per monetary terms)

Item code no. (ITC code)	847100
Product description	Computers & Peripherals
Item code no (ITC code)	852490
Product description	Software Development

NOTES

Accel Frontline Limited

No. 75, Nelson Manickam Road, Aminjikarai, Chennai 600 029 Ph: 044 - 42252000 Fax : 044- 23741271

E-mail : info@accelfrontline.com Website : www.accelfrontline.com

CIN : L30006TN1995PLC031736

CAC Holdings Corporation

ACCEL FRONTLINE
GLOBAL IT SERVICES

ACCEL FRONTLINE LIMITED
CIN : L30006TN1995PLC031736
Regd. Office : 75, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
Tel : 044-42252000, Fax : 044-23741271
E-mail : nagaraj.v@accelfrontline.com, Website : www.accelfrontline.com

ATTENDANCE SLIP

21ST ANNUAL GENERAL MEETING ON MONDAY, 28TH DAY OF NOVEMBER, 2016

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Name and address of the Registered member	
Folio No.	
No. of Shares	

I/We hereby record my/our presence at the 21st Annual General Meeting (AGM) of the Company on Monday, 28th November, 2016 at 09.00 A.M. at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 018" or any adjournment thereof.

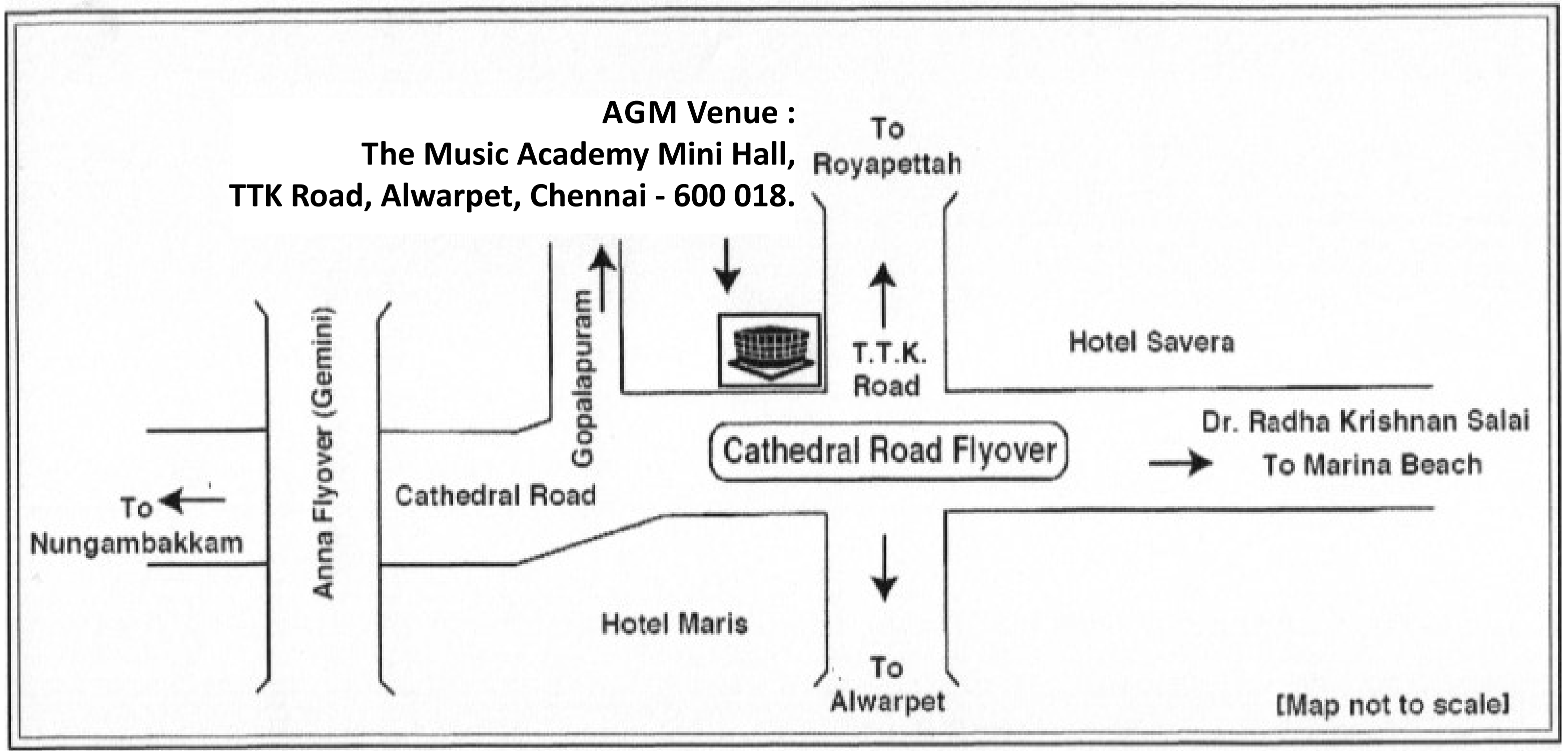
____

[Signature of Shareholders/Proxy(s) Joint member attending the meeting]

EVEN (Electronic Voting EVENT Number)	**USER ID**	**PASSWORD**
105727		

Note: Person attending the meeting is requested to bring this Attendance Slip with him/her.
Duplicate Attendance Slip will not be issued at the Annual General Meeting.

Route map for the Venue of AGM of Accel Frontline Limited to be held on Monday, 28th November, 2016 at 9.00 A.M.



CAC Holdings Corporation

ACCEL FRONTLINE
GLOBAL IT SERVICES

ACCEL FRONTLINE LIMITED
CIN : L30006TN1995PLC031736
Regd. Office : 75, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
Tel : 044-42252000, Fax : 044-23741271
E-mail : nagaraj.v@accelfrontline.com, Website : www.accelfrontline.com

21ST ANNUAL GENERAL MEETING ON MONDAY, 28TH DAY OF NOVEMBER, 2016

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

CIN	L30006TN1995PLC031736
Name of the Company	Accel Frontline Limited
Registered office	75, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No.	

I/We, being the Member(s) of and hold/holds__________shares of above named Company, hereby appoint:

1. Name : .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her
2. Name : .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her
3. Name: .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting (AGM) of the Company on Monday, 28th November, 2016 at 09.00 A.M. at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 018" and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	Optional *	
		For	Against
Ordinary Business			
1.	Adoption of the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2016, the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Bin Cheng, who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Re-Appointment of Statutory Auditors M/s. Walker Chandiok & Co LLP, Chartered Accountants.		
Special Business			
1.	Re-Appointment of Mr. R. Ramaraj as an Independent Director.		
2.	Consent under Section 180(1)(c) of the Companies Act, 2013 for Borrowings		

Signed this ____________ day of __________________ 2016

Affix ₹1 Revenue Stamp

Signature of Member(s): ....

Signature of Proxy holder(s): ....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.

*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.