ACCEL FRONTLINE
GLOBAL IT SERVICES

22nd Annual Report
2016 - 17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Malcolm F. Mehta	- Chairman & Chief Executive Officer (w.e.f. 01st July, 2017)
Mr. R. Ramaraj	- Independent Director
Mr. Bin Cheng	- Non-Executive & Non Independent
Mrs. Ruchi Naithani	- Independent Director
Mr. Raj Khalid	- Independent Director
Mr. Rajesh R. Muni	- Independent Director (w.e.f. 06th May, 2017)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Rajesh R. Muni	- Chairman (w.e.f. 26th May, 2017)
Mr. R. Ramaraj	- Member
Mr. Bin Cheng	- Member
Mrs. Ruchi Naithani	- Member
Mr. Raj Khalid	- Member (w.e.f. 01st March, 2017)

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Mrs. 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. B. Chandramouli	(Vice President - WMS)
Mr. R. Lakshmipathi	(Vice President - Corporate HR)
Mr. R. Neelakantan	(Chief Financial Officer)
Mr. S. Sundaramurthy	(Company Secretary)

STATUTORY AUDITORS

M/s. Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Prestige Polygon, 471,
Anna Salai, Teynampet, Chennai - 600 018

INTERNAL AUDITORS

M/s. Sudit K. Parekh & Co.
Chartered Accountants
Office No. 19, Adi Marzban Path,
Ballard Estate, Fort, Mumbai - 400 001

SECRETARIAL AUDITORS

Mr. M. Alagar
Practicing Company Secretary
M/s. M. Alagar & Associates,
No. 21-B, 1st Floor, ARK Colony,
Eldams Road, Alwarpet,
Chennai - 600 018.

LEGAL ADVISORS

M/s. Economic Law Practice (ELP),
Advocates & Solicitors,
109A, 1st Floor, Dalamal Towers,
Free Press Journal Road,
Nariman Point, Mumbai - 400 021

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. Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083

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-Second Annual General Meeting of the members of Accel Frontline Limited will be held on Friday, the 15th Day of September, 2017 at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 014" at 02:30 P.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, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Malcolm F. Mehta, (DIN: 03277490) who retires by rotation and, being eligible, offers himself for re-appointment.
3. Reappointment 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 reappointed as Statutory Auditors of the Company (being fourth 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:

   Reappointment of Whole Time Director Mr. Malcolm F. Mehta (DIN: 03277490) to be designated as the Chairman and Chief Executive Officer of the Company.

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the reappointment of Mr. Malcolm F. Mehta, as Whole Time Director to be designated as the Chairman and Chief Executive Officer (Key Managerial Personnel) of the Company (and whose directorship is liable to retire by rotation) for a further period of three years with effect from 1st July, 2017 on the terms and conditions including remuneration as set out in the Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as "the Board"which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Malcolm F. Mehta, (DIN: 03277490) subject to the same not exceeding the limits specified under Sections 197, 198, 200 and Schedule V to the Companies Act, 2013 or any statutory modification(s) or reenactment thereof;

   "RESOLVED FURTHER THAT the Board be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   Appointment of Mr. Rajesh R. Muni (DIN: 00193527) as an Independent Director.

   "RESOLVED THAT Mr. Rajesh R. Muni (DIN: 00193527), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 06th May, 2017 in terms of Section 161 of the Companies Act, 2013 and Article No. 117 of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company for a term of five years upto 05th May, 2022 as per Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, not liable to retire by rotation."

By order of the Board
For Accel Frontline Limited

Place: Chennai
Date: 05th August, 2017

Malcolm F. Mehta
Chairman & Chief Executive Officer

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 Saturday, the 09th September, 2017 to Friday, the 15th September, 2017 (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 22nd AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2017 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. Friday, the 08th September, 2017 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. Friday, the 08th September, 2017 ("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 IEPF. The Company has transferred the unpaid or unclaimed dividends declared upto Financial Year 2009-2010 from time to time on due dates to the Investor Education and Protection Fund (IEPF). Pursuant to the provisions of IEPF, the Company has uploaded the details of Unpaid and Unclaimed amounts lying with the Company as on the 28th November, 2016 (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 / reappointment 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), 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 be entitled to cast their vote again.

    IV. The remote e-voting period commences on Monday, the 11th September, 2017 (9:00 A.M.) and ends on Thursday, the 14th September, 2017 (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 Friday, 08th September, 2017, 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 resolution is 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.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

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

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. 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 alagar@geniconsolutions.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.

NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

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 Friday, 08th September, 2017.

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. Friday, 08th September, 2017, 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?" or "Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting or ballot paper or polling paper.

XIII. Mr. M. Alagar, Practicing Company Secretary (Membership No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai 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.

XIV. 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.

XV. The Scrutinizer shall 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.

XVI. 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
Date: 05th August, 2017

Malcolm F. Mehta
Chairman & Chief Executive Officer

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

In terms of Clause 13.2 of the Shareholders Agreement dated 09th December, 2013, entered into with M/s. CAC Holdings Corporation ("CAC HD"), Mr. Malcolm F. Mehta was appointed as an Executive Director on the Company's Board with effect from 1st July, 2014 for a period of three years. The tenure of Mr. Malcolm F. Mehta as the Executive Director ended on 30th June, 2017. Mr. Malcolm F. Mehta was given additional responsibilities as Chairman w.e.f. 09th November, 2016. Further, M/s. CAC Holdings Corporation ("CAC HD") have nominated Mr. Malcolm F. Mehta as the Chairman & CEO on the Board of the Company for a period of three years from 01st July, 2017 to 30th June, 2020.

Based on the recommendation of the Nomination and Remuneration Committee ("Committee") of the Company, the Board of Directors of the Company at its meeting held on 06th May, 2017 had subject to the approval of the members, reappointed Mr. Malcolm F. Mehta as the Whole Time Director to be designated as the Chairman and Chief Executive Officer (KMP) with effect from 1st July, 2017 for a period of three years at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Malcolm F. Mehta are as under:

Name	Details	Amount (in ₹)
Mr. Malcolm F. Mehta	Net Salary	5,77,610/- per month

a) Perquisites and other Allowances:

In addition to the salary Mr. Malcolm F. Mehta shall also be entitled to the following perquisites and other allowances.

i) House Rent Allowance of ₹ 2,45,000/- (Rupees Two Lakhs Forty Five Thousand Only) per month which would be reviewed for any increase on a yearly basis. The Company also agrees to pay other related expenses and deposit in connection with renting of house over and above the Rental accommodation and House Rent Allowance.

(ii) Car Allowance of ₹ 2,10,000/- (Rupees Two Lakhs Ten Thousand Only) per month which would be reviewed for any increase on a yearly basis. Car would be used for official purpose and partially for the personal use.

(iii) Net salary payable to Mr. Malcolm F. Mehta would include basic salary, reimbursement of medical expenses, leave travel allowance, children education allowance, food allowance, telephone reimbursements and special allowance. Further, the above mentioned salary components shall be reviewed and modified from time to time.

(iv) Contribution to Provident Fund will be as per the rules of the Company. The contribution towards Provident Fund will not be included in the computation of the ceiling on perquisites to the extent this is not taxable under the Income Tax Act 1961. Further, Mr. Malcolm F. Mehta's contribution to Provident fund, ESIC, Profession tax etc., as applicable shall be borne by the Company.

(v) Gratuity as per the rules of the Company and the same shall not exceed half a month's salary for each completed year of service, and subject to Payment of Gratuity Act as amended from time to time.

(vi) Mr. Malcolm F. Mehta will be entitled to a vacation of 30 days for every 11 months of service.

(vii) Mr. Malcolm F. Mehta will also be entitled to 7 days of special leave in case of every emergency.

(viii) Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of Company. A reasonable ceiling for such expenses may however be fixed in this regard by the Board.

(ix) No sitting fees shall be paid for attending the meetings of the Board of Directors or Committee thereof from the date of reappointment.

(x) The Company also agrees to bear the cost of taxes and provident fund of Mr. Malcolm F. Mehta such that Mr. Mehta gets the above salary as his salary payable.

(xi) Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Malcolm F. Mehta, as may be determined by the Board and / or the NaRC Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration.

b) Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Malcolm F. Mehta shall be entitled to receive remuneration based on net profits. Such remuneration based on net profits payable to him as also to the other Whole-Time Directors and Executive Directors of the Company will be determined by the Board and / or the NaRC Committee of the Board for each financial year.

c) Minimum Remuneration:

If in any year during the tenure of appointment of Mr. Malcolm F. Mehta, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to Mr. Malcolm F. Mehta, by way of above salary, perquisites and other allowances subject to the provisions of Section 197,198, 200 and Schedule V of the Companies Act, 2013 and such approvals of members and of the Central Government as may be required. In addition to above, Mr. Malcolm F. Mehta shall also be eligible to the perquisites provided in Schedule V of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

d) Variation and Alterations:

The Board shall have the power to effect any variations, alterations or modifications in future in respect of the aforesaid terms of appointment and remuneration of Mr. Malcolm F. Mehta within the limits specified in Sections 197, 198 and 200 and Schedule V of the Companies Act, 2013 or any statutory modifications, subscriptions or re-enactments thereof, as may be agreed to by the Board and Mr. Malcolm F. Mehta.

e) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

It is proposed to seek the members' approval for the reappointment of and remuneration payable to Mr. Malcolm F. Mehta as a Whole Time Director, in terms of the applicable provisions of the Act.

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.

Mr. Malcolm F. Mehta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Malcolm F. Mehta under Section 190 of the Act.

Brief resume of Mr. Malcolm F. Mehta, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst director's inter-se as stipulated under SEBI Listing Regulations are provided in the Annexure A to this notice.

Mr. Malcolm F. Mehta is interested in the resolution set out at Item No. 4 of the Notice, which pertain to his reappointment and remuneration payable.

The relatives of Mr. Malcolm F. Mehta may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in anyway, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No. 5

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Mr. Rajesh R. Muni (DIN: 00193527) as an Additional Director of the Company to hold office from 6th May, 2017. Mr. Rajesh R. Muni holds office upto the date of this Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company received requisite notice from a Member proposing Mr. Rajesh R. Muni as a candidate for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Rajesh R. Muni as an Independent Director of the Company for a term of five years upto 05th May, 2022 in pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of Nomination and Remuneration Committee and Board, Mr. Rajesh R. Muni fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. Rajesh R. Muni as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10.00 A.M. to 6.00 P.M.) on any working days, except second and fourth Saturday.

The Board considers that the proposed appointment of Mr. Rajesh R. Muni as director will be of immense benefit to the Company.

Except Mr. Rajesh R. Muni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

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

By order of the Board
For Accel Frontline Limited

Place: Chennai
Date: 05th August, 2017

Malcolm F. Mehta
Chairman & Chief Executive Officer

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

ANNEXURE A

The Information in accordance with Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India about the Directors seeking appointment / re-appointment in this Annual General Meeting are furnished hereunder

Particulars	Mr. Malcolm F. Mehta	Mr. Rajesh R. Muni
Date of Birth	04th June, 1968	23rd December, 1951
Date of Appointment	07th May, 2014	06th May, 2017
Qualification	MBA from Anaheim University and Diploma in Japanese Business Management from Kumamoto Gakuen University. He holds Level 1 in Japanese Language Proficiency Test (JLPT-1).	Chartered Accountant, B. Com. (Hons.), Business Management Consultancy Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.
Expertise	In the field of international business, mergers and acquisitions, planning, strategy and business development	He has been in practice since 1978 and is the principal partner of the firm R. R. Muni & Co. Chartered Accountants, Mumbai. He has expertise in professional services for conduct of audits, (statutory and internal), accounting matters, management related subjects, Company Law and secretarial work, Direct Taxes, etc., He also has been a lecturer in various colleges and for students of Chartered Accountancy on subjects of Accounts, Income Tax and Audit etc.
Chairmanship / Membership of the Committees of the Board of Director of the Company	Nil	1. Audit Committee – Chairman.
Directorship of other Companies (excluding Foreign Companies / Section 8 Companies)	1. CAC India Private Limited. 2. Accel IT Resources Limited.	1. I G Petrochemicals Limited.
Chairmanship / Membership of the Committee of other companies in which he is a Director	Nil	**1. Audit Committee** a. I G Petrochemicals Limited - Chairman. **2. Nomination and Remuneration Committee** a. I G Petrochemicals Limited - Member **3. CSR Committee** a. I G Petrochemicals Limited - Member **4. Stakeholders Relation Committee** a. I G Petrochemicals 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, 2017.	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil
Number of meetings attended during the year	Please refer Corporate Governance Section of the 22nd Annual Report 2016-2017	N.A.

DIRECTORS' REPORT

To

THE MEMBERS OF ACCEL FRONTLINE LIMITED

Your Directors present the 22nd 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, 2017.

1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	2017	2016	2017	2016
Sales, services & other income	59,080	51,293	36,657	32,347
Earnings before interest, tax, depreciation and amortization (EBITDA)	3,091	1,498	1,161	(892)
Finance costs	2,501	2,083	2,353	1,957
Depreciation and amortization expense	1,464	1,262	890	846
Operating Profit before Tax & Prior Period expenses	(874)	(1,847)	(2,082)	(3,695)
Prior Period Expenses / Income net	134	11,465	-	10,003
Provision for tax (Net)	377	370	-	61
Profit after tax	(1,385)	(13,682)	(2,082)	(13,759)
Minority Interest	(1,009)	(822)	-	-
Profit after Minority Interest	**(2,394)**	**(14,504)**	**(2,082)**	**(13,759)**
Balance brought forward from previous year	**(13,289)**	**1,215**	**(13,047)**	**712**
Amount available for appropriation	**(15,683)**	**(13,289)**	**(15,129)**	**(13,047)**
Transfer to Depreciation Reserve	-	-	-	-
Balance carried to Balance Sheet	(15,683)	(13,289)	(15,129)	(13,047)

2. DIVIDEND

The Directors have not recommended dividend for the year ended 31st March, 2017.

3. OPERATING RESULTS AND BUSINESS OPERATIONS

For the Financial Year 2016 - 17, your Company has achieved a revenue of ₹ 58,873 lakhs on a consolidated basis and ₹ 36,505 lakhs on a standalone basis. The EBITDA on a consolidated basis ₹ 3,091 lakhs and on a standalone basis stood at ₹ 1,161 lakhs. The Company had to provide a sum of ₹ 134 lakhs on a consolidated basis and NIL on a standalone basis on account of certain prior period and exceptional items accounted during the year. This resulted in a net loss of ₹ 2,394 lakhs on a consolidated basis and ₹ 2,082 lakhs on a standalone basis. Although the Company has incurred a loss in the financial year there have been significant improvement on several fronts. The Board and Management are making sincere efforts to strengthen the fundamentals of the company that will improve the overall performance of the Company in the future.

4. HUMAN RESOURCES DEVELOPMENT

The Company recognizes that employees are its main asset & also believes in transforming manpower resources from "Asset" to "Strategic Asset" by increasing their capabilities. In line with this business philosophy, the Company has initiated training of resources to meet the market requirements and deliver high quality services to our clients. Talent recognition and reward for performance is one of the key measures to encourage and motivate employees. Regular Knowledge and skill up gradation training programs are conducted by internal as well as external knowledge management experts.

5. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 has various policies, processes and systems in place 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 endeavour 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.

The Company has sold its entire stake on its subsidiary Company M/s. Accel Systems & Technologies Pte.Ltd., (ASTL) Singapore for the value of S$ 19.38 Million (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand) to M/s. StarHub Ltd., Singapore on 10th July, 2017 and ASTL is now no longer a Subsidiary of the Company.

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, the directors hereby confirm that:

i. in the preparation of the annual accounts for the financial year 2016-17, have followed the applicable accounting standards and there were no material departures, except for valuation of inventories;

ii. had 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 and loss of the Company for the financial year;

iii. had taken proper and sufficient care 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;

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

v. have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively, except for valuation of inventories, which is a subject matter of Audit qualification.

vi. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. Statutory Auditors Report.

Management responses to the qualifications in the Statutory Auditor's Report:

i **Valuation of Inventories:**

As disclosed in Note No. 33 to the Standalone Financial Statements, the existing software for inventory management is presently capable of computing weighted average cost of consumption for the current year transactions. However, the software has certain limitations and has to be customized to address the values pertaining to previous years and that customization, and other reconciliations relating to this are under progress as at the reporting date and hence the amount cannot be estimated.

ii **Revenue and advances in the subsidiary**

As disclosed in Note No. 36 to the Consolidated Financial Statements, the subsidiary's management has initiated the process to evaluate these cases of revenue and advances and the evaluation is under progress as at reporting date. However, the subsidiary's management has provided/written off the amount identified thus far, which in the opinion of the management is adequate.

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

- The promoters have entered into a settlement and release agreement dated 15.03.2017, signed by and between, Accel Limited, Accel Systems Group Inc., and Mr. N. R. Panicker, of the first part, M/s. CAC Holdings Corporation, Japan, (Holding Company) of the second part and the Company of the third part, the said dispute, as also the dispute that M/s. CAC Holdings Corporation, Japan sought commence against Accel Limited, Accel Systems Group Inc., and Mr. N. R. Panicker has been resolved to be settled and to that extent, all proceedings set out above has been suspended.
- The Company had sold its entire stake in its subsidiary Company M/s. Accel Systems & Technologies Pte. Ltd, (ASTL) Singapore, to StarHub Ltd., Singapore for a consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand Only) on 10th July, 2017. The company received a sum of ₹ 90,02,49,450 (Rupees Ninety Crores Two Lakhs Forty Nine Thousand Four Hundred and Fifty Only) towards the consideration. Pursuant to the sale of shares in subsidiary, ASTL ceased to be a subsidiary of the Company.

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 4th February, 2017 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 it's Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

17. AUDITORS

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm's Registration No. 001076N/N500013) were appointed as the 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.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.Alagar, Practicing Company Secretary (Membership No. F7488 and CoP No. 8196) of M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure V.

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. CORPORATE SOCIAL RESPONSIBILITY

Since the Company is not falling under the criteria prescribed under Section 135 of the Companies Act, 2013, constitution of Corporate Social Responsibility (CSR) Committee and contributions does not arise and we are not mandated to devise the policy accordingly.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

i. Mr. Malcolm F. Mehta, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

ii. Mr. Malcolm F. Mehta was reappointed as Whole Time Director for a further period of three years with effect from 1st July, 2017 to be designated as the Chairman and Chief Executive Officer (CEO) and Key Managerial Personnel .

iii. Mr. Rajesh R. Muni was appointed as the Additional Director (Non-Executive, Independent Director) of the Company with effect from 06th May, 2017 and holds office upto this Annual General Meeting and Mr. Rajesh R. Muni appointed as an Independent Director for a term of 5 years upto 5th May, 2022.

22. 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 management.

For and on behalf of the Board

Malcolm F. Mehta
Chairman & Chief Executive Officer

Place: Chennai
Date: 05th August, 2017

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

6 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, Mrs. Ruchi Naithani and Mr. Rajesh R. Muni 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 Code of Conduct for the year ended 31st March, 2017.

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 39 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 sectorial 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, 2017 include security deposits and deposits with Statutory/Government authorities. Short term loans and advances as at 31st March, 2017 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 Company has adequate internal control procedures commensurate with the size and nature of its operations, except in the case of Inventory, which is a subject matter of Audit qualification.

The internal control systems were further strengthened by internal audit carried by an independent firm of Chartered Accountants and a periodical review by the management. The Audit Committee of the board addresses issues raised by internal auditors and the statutory auditors.

The financial objective of the Company is to bring in efficiencies of operations at all levels so as to maximize return on capital employed and to generate sufficient cash profits to fund on-going expansions and to meet the growth objectives. The Audit Committee and the Board periodically review performance parameters related to financial performance of the Company to ensure smooth implementation of the internal control systems and efficient management of the various resources. The Audit Committee conducts periodic reviews with the management, internal auditors and the statutory auditors.

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 subsidiary's 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 ₹ 24,458 lakhs during the Financial Year 2016 -17 compared to ₹ 18,945 lakhs during Financial Year 2015-16 registering a growth of 29% over the previous financial year. The Net Profits of these subsidiaries grew by 727% on consolidated basis to ₹ 1,156 lakhs during Financial Year 2016-17 compared to ₹ 159 lakhs during Financial Year 2015-16 on account of prior period and exceptional items. 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.

The Company has sold its entire stake in its subsidiary company M/s. Accel Systems & Technologies Pte. Ltd., (ASTL) Singapore for S$ 19.38 Million (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand Only) to M/s. StarHub Ltd., Singapore on 10th July, 2017 and ASTL is now no longer a Subsidiary of the Company.

14. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made thereunder, 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, 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 Director	Ratio to median remuneration	Remuneration paid (₹ In Lakhs)
Mr. Malcolm F. Mehta*	175	320.91

* 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, Chairman & Chief Executive Officer	6.46%
Mr. R. Neelakantan, Chief Financial Officer	8.0%
Mrs. Sweena Nair, Company Secretary (up to 21/10/2016)	NIL
Mr. S. Sundaramurthy, Company Secretary (w.e.f 21/10/2016)	NIL

(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 2,863 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 2016-17 was 7.31%. Percentage increase in the managerial remuneration for the year was 6.46%.

(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.

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

The Information as per Section 197(12) of the Companies Act, 2013 & Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 are given below.

Sl. No.	Name	Designation	CTC Remuneration (₹. In Lakhs)	Nature of Employment (Contractual or otherwise)	Date of Commencement of Employment	Age (in years)	Last or previous employment	% of Equity Shares held	Relative of Director or Manager
1	Mr. Malcolm F. Mehta	Chairman & Chief Executive Officer	320.91	Regular	01st July, 2014	49	M/s. Hexaware Technologies Limited	-	No
2	Mr. Maqbool Hassan	President & COO-ITS (IIS/IMS)	60.00	Regular	14th August, 1997	52	M/s. HCL Limited	0.02%	No
3	Mr. R. Neelakantan	Chief Financial Officer	49.62	Regular	09th June, 2015	58	M/s. Spicejet Ltd.	-	No
4	Mr. Jayesh Ahluwalia	President - ITS (North & West)	45.00	Regular	16th January, 1991	51	M/s. Pertech Computers Ltd.	-	No
5	Mr. Sanatan Seal	Vice President	26.50	Regular	20th June, 1995	49	M/s. PCS Industries Ltd.	0.01%	No
6	Mr. P.C. John Bright	General Manager	26.00	Regular	18th August, 2014	46	M/s. IBM	-	No
7	Mr. P. Manoharan	Vice President	25.57	Regular	07th June, 2012	55	M/s. Ramco Systems Ltd.	-	No
8	Ms. Anita Nanavati	Associate Vice President - Corp Planning & Communication	24.10	Regular	01st August, 2013	52	M/s. SciGenom Labs Pvt. Ltd.	-	No
9	Mr. Sunil Manocha	Regional Manager- Sales	23.74	Regular	02nd April, 2007	45	M/s. Computers and Components LLC	-	No
10	Mr. R. Ganesh	President - WMS	23.67	Regular	13th March, 1991	55	M/s. HCL Ltd.	0.54%	No

Notes:

1. Remuneration shown above includes salary, bonus, and contribution to provident fund, superannuation fund and perquisites valued as per Income Tax Rules, wherever applicable and in other cases at actual cost to the Company.

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

Malcolm F. Mehta
Chairman & Chief Executive Officer

Place: Chennai
Date: 05th August, 2017

ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

It has been a year of uncertainty and anxiety for the Indian IT industry both in the domestic and overseas market. The lead up to the U.S. elections and the outcome has had its toll on the Indian IT industry with uncertainty on new policies and the impact of it on business. While things have settled down in the past few months with more clarity on the policies, the likely impact of this will only be felt in coming months. Large IT companies have increased hiring of locals in the U.S. and are considering more work to be done onsite. Artificial Intelligence (AI) and Robotics is expected to revolutionize the way we work, but it is also expected to bring about considerable disruption in the way IT services will be provided.

On the domestic front, demonetization put the brakes on the momentum gained by the economy in the first half. While it resulted in considerable chaos and uncertainty for a few months, thankfully things have got back to normal and hopefully the positives of demonetization should have long lasting effect on the economy. Of course, the biggest positive and game changer for the future of the Indian economy is the roll out of Goods and Services Tax (GST). This provides a great opportunity for one and all in the years ahead. For IT companies, including your Company, this also provides us business opportunities to cater to clients' requirement on becoming GST compliant.

B. OPPORTUNITIES & THREATS

The Indian IT market is expected to continue growing with the digital and other initiatives taken by the government. Although there is fierce competition in the E-commerce field the potential market makes it attractive for the big players as well as new comers. Venture Capital (VC) funds have been investing in not just well established players but also in quite a few promising start-ups. Government initiatives to modernize the country's infrastructure will need IT to play a key role and will have long term benefits to all. Smart Cities and Metro Rail projects are huge opportunities that will take years to roll out all across the country. IT will play a major role in successful implementation and running of the systems required to support these initiatives. We see this as a long term opportunity with our capabilities in IT Infrastructure, networking as well as kiosk business giving us an edge over competition. Quite a few of these infrastructure projects including the Mumbai – Ahmedabad Bullet Train project are being funded by Japan.

The overseas business share in the Company is considerably low and there is tremendous scope for growing the business especially in countries where we already have a presence like Japan, U.S.A. and U.K. Although we have presence in these countries for many years, it is only in the past two years that we have identified areas in which we have decided to focus and develop our business. Internet of Things (IoT), product engineering, cloud and mobility are the new areas that we have decided to put our efforts in to develop the business in these countries. Over the past year we have added sales and pre-sales resources locally to acquire new business.

While the stock markets the world over have touched new heights in the past few quarters, the tension over North Korea's missile testing and other global developments including relations between U.S.A. and Russia could have a bearing on the global economy. AI and Robotics have already caused concern across all industries on the likely impact it could have on the role of human beings in industry.

C. FOCUS AREAS OF THE COMPANY

The Company's focus is going to be on improving its profit margins and turn profitable. In the past year a conscious effort has been made to reduce our dependence on low margin hardware business. The Infrastructure Management Service (IMS) business has grown and is having reasonably good margins. Effort is being made to move up the value chain by offering high end enterprise services like Cloud and IT Security services to our clients in India and overseas. While IT Security, Networking, Data Centre, Virtualization etc. will continue to drive the IT infrastructure business, we are also gearing up to address the increasing demands in the Data Analytics and Business Intelligence space.

There is an increase in cooperation between the Company and CAC with focus on Japan and India. Joint sales promotion in Japan targeting the automotive sector has started showing some results. A few opportunities have been identified in India with support from CAC. We are expecting more joint effort in exploring business opportunities not just in India and Japan but also in countries where we have a presence. We will need to invest in this joint effort to be able to reap the benefits of it over a long term.

Over the past year we have been developing a few IoT based solutions that are in advanced stage of development. These solutions would enable us to get entry into industries and open up markets where we do not have any presence currently. We are looking at developed countries to market these solutions initially.

Application development and maintenance is also an area that would be given priority.

Cyber Security was the main business of our subsidiary Accel Systems & Technologies Pte. Ltd. (ASTL) in Singapore. Since ASTL has been sold to StarHub Ltd., on 10th July 2017, it is no longer our subsidiary. However, we do have IT Security services being provided in India.

Warranty Management Services (WMS) business has been struggling for the past few years. It has aligned its business to new verticals a few months back. The division has undergone change in leadership and is expected to improve its performance.

The overall focus of the Company continues 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.

The Singapore subsidiary, Accel Systems & Technologies Pte. Ltd. was sold to StarHub Ltd., Singapore on 10th July 2017 and is no more our subsidiary.

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 2017**		**FY 2016**	
	In ₹ Lakhs	%	In ₹ Lakhs	%
Revenue from operations	58,873	100%	51,105	100%
Costs				
Materials/Service of costs	25,382	43%	21,070	41%
Employee costs	16,634	28%	13,866	27%
Other costs	13,973	24%	14,859	29%
Total costs	55,989	95%	49,795	97%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,884	5%	1,310	3%
Other Income	207	0.4%	188	0.4%
Finance Costs	2,501	4%	2,083	4%
Depreciation and Amortisation Expenses	1,464	2%	1,262	2%
Profit before tax and prior period items(PBT)	(874)	(1%)	(1,847)	(4%)
Prior period / exceptional items	134	0.2	11,465	22%
Total tax Expense	377	0.6%	370	0.7%
Profit after tax (PAT)	(1,385)	(2%)	(13,682)	(27%)

G. REVENUE ANALYSIS

BUSINESS MIX	FY 2017	%	FY 2016	%
SI - System Integration	**31,883**	**54%**	**26,177**	**51%**
IMS - Infrastructure Management Services	**16,320**	**28%**	**14,502**	**28%**
SS - Software Services	**8,786**	**15%**	**8170**	**16%**
WMS - Warranty Management Services	**1,720**	**3%**	**1,993**	**4%**
Training	**164**	**-**	**263**	**1%**
TOTAL	**58,873**		**51,105**	

H. ANALYSIS OF BUSINESS BY SERVICE

The Systems Integration (SI) business continues to have a significant share in the revenue of the Company. The SI business performance improved over the previous year. There is a conscious effort to not participate in opportunities with low margins. Selective participation in opportunities has ensured that the business is more profitable than before, however this has at times restricted the growth. While the bank charges on funding of working capital were reduced because of lower charges by the banks, due to the overall growth in the business the total finance cost went up for the year.

The Company's focus continues to be on increasing its IMS business which is having better margins than IT Infrastructure Solutions (IIS). The Infrastructure Management Services (IMS) part of the business is having a reasonably good margin. Efforts to reduce IMS dependency on low margin hardware business continues. We are slowly and steadily progressing to offer high end enterprise services like Cloud and IT Security to our clients in India and overseas. New service offerings in the IoT and product engineering field have also helped increase the service revenue. Software Services Division (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 Technology Services Group (TSG). The vast portfolio of services under (SSD) needs to be promoted more aggressively globally through all the subsidiaries and not only be limited to North America and Japan. Application development and maintenance services have to be increased. While there have been a few new additions in clients the business volume is still not significant.

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. While efforts have been made to compensate for the loss of hard disk business by focusing on the mobile / smart phone business, the results have not been encouraging so far. The division has undergone structural change under the new leadership of the division and is expecting to see considerable improvement in its overall performance.

I. HUMAN RESOURCE MANAGEMENT.

The forward thinking Human Resource Department in AFL is devoted to providing effective policies, procedures and people-friendly guidelines and support. The Company has employed 2,863 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. Employees have opportunity to work on all the new & advanced technologies under the leadership of technical experts and it helps them carve their career and find the right balance for their long-term personal and professional development. All this makes AFL the perfect place to grow.

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 helped the company to contain the interest costs.

L. TAXATION

The Company has not provided any amount for taxation on standalone basis in view of the 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-17	**31-Mar-16**
Shareholders' funds		
Share capital	2,976	2,976
Minority interest	2,689	1,825
Reserves and surplus	(7,713)	(5,246)
	(2,048)	**(445)**
Non-current liabilities		
Long term borrowings	6,155	6,630
Deferred tax liability	129	95
Long-term provisions	905	943
	7,189	**7,668**
Current liabilities		
Short-term borrowings	18,503	13,829
Trade payables	6,831	6,452
Other current liabilities	9,077	7,567
Short-term provisions	413	262
	34,824	**28,110**
Total	**39,965**	**35,333**
Fixed assets (net total including capital work in progress)	2,826	3,536
Intangible assets on consolidation	1,094	1,094
Deferred Tax Asset	-	-
Long-term loans and advances	5,623	4,773
Other non current assets	739	735
	10,282	**10,138**
Current assets		
Inventories	3,821	3,647
Trade receivables	16,643	15,269
Cash and bank balances	4,928	3,576
Short-term loans and advances	3,004	2,196
Other current assets	1,287	508
	29,683	**25,195**
Total	**39,965**	**35,333**

Key highlights

A. Equity and Reserves

The Equity Capital of the Company remained unchanged during the year.

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 few banks in India and at Dubai to help the Company and its subsidiary avail working capital facilities. The short term working capital increased by ₹ 4,583/- 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

The company has written off/provided for bad debts of ₹ 986/- lakhs during the financial year. The Company has taken necessary steps to strengthen the internal controls on receivables and the said practices are in vogue during the current year.

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

Malcolm F. Mehta
Chairman & Chief Executive Officer

Place: Chennai
Date: 05th August, 2017

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.

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

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017.

[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. Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. Tel: 022-49186270 Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.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	47 %
2	Infrastructure Management Service	99831326	37 %
3	Software Services	99831512	11 %
4	Warranty Management Services	99831323	5 %

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. 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 IT Resources Limited Chateau D' Ampa, 5th Floor, No. 37, Nelson Manickam Road, Aminjikarai, Chennai – 600 029.	U80903TN2007PLC062824	Subsidiary	100%	2(87)
3.	Accel Systems & Technologies Pte. Ltd., Singapore (ceased to be a subsidiary of the company w.e.f 10/07/2017) 22 Kallang Ave., #03-04 Singapore - 339413	N.A.	Subsidiary	51.00%	2(87)
4.	Accel Frontline DMCC, Dubai Office No. 2803, Saba 1 Tower Cluster E, P.O. Box: 488019, Jumeirah Lake Towers, Dubai, UAE.	N.A.	Subsidiary	100%	2(87)
5.	Network Programs (Japan) Inc., USA 1430, Broadway, Suite No. 1805, New York, NY - 10018, USA	N.A.	Subsidiary	100%	2(87)
6.	Network Programs (USA) Inc., USA 1430, Broadway, Suite No. 1805, New York, NY - 10018, USA	N.A	Subsidiary	100%	2(87)
7	Accel Japan Kabushaki Kaishai, Japan 4F, Dai 2 Kounan Hirose Building, 3-5-24 Kounan Minato-ku, Tokyo - 108-0075, Japan	N.A	Subsidiary	100%	2(87)
8	Accel North America Inc., USA 4633 Old Ironsides Drive, Ste 400 Santa Clara, CA 95054	N.A	Subsidiary	100%	2(87)
9	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 (01.04.2016)				No.of Shares held at the end of the year (31.03.2017)				% 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	42,81,194	0	42,81,194	14.38	42,81,194	0	42,81,194	14.38	0
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):-	**42,81,194**	**0**	**42,81,194**	**14.38**	**42,81,194**	**0**	**42,81,194**	**14.38**	**0**
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.	1,80,40,210	0	1,80,40,210	60.62	1,80,40,210	0	1,80,40,210	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):-	**1,80,40,210**	**0**	**1,80,40,210**	**60.62**	**1,80,40,210**	**0**	**1,80,40,210**	**60.62**	**0**
Total Shareholding of promoter (A) = (A) (1) + (A) (2)	**2,23,21,404**	**0**	**22,321,404**	**75.00**	**2,23,21,404**	**0**	**2,23,21,404**	**75.00**	**0**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	3,58,953	0	3,58,953	1.21	0	0	0	0	(1.21)
b. Banks / FI	29,890	0	29,890	0.10	29,895	0	29,895	0.10	0
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	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)	**3,88,843**	**0**	**3,88,843**	**1.31**	**29,895**	**0**	**29,895**	**0.10**	**(1.21)**

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2016)				No.of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a. Bodies Corp. (i) Indian	16,01,057	0	16,01,057	5.38	10,56,302	0	10,56,302	3.55	(1.83)
(ii) Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	29,37,313	71,507	30,08,820	10.11	33,98,385	71,507	34,69,892	11.66	1.55
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	15,07,683	0	15,07,683	5.07	20,24,885	0	20,24,885	6.80	1.73
c) Others (Specify)									
i) Clearing Member	1,78,823	0	1,78,823	0.60	99,510	0	99,510	0.33	(0.27)
ii) Non Resident Indians (REPAT)	3,20,953	5,350	3,26,303	1.10	3,14,425	5,350	3,19,775	1.07	(0.03)
iii) Non Resident Indians (NON REPAT)	21,384	0	21,384	0.07	21,196	0	21,196	0.07	0.00
iv) Trusts	100	0	100	0.00	1,400	0	1,400	0.00	0.00
v) Hindu Undivided family	4,07,456	0	4,07,456	1.37	4,17,614	0	4,17,614	1.40	0.03
Sub-total (B)(2)	**69,74,769**	**76,857**	**70,51,626**	**23.70**	**73,33,717**	**76,857**	**74,10,574**	**24.88**	**1.18**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**73,63,612**	**76,857**	**74,40,469**	**25.00**	**73,63,612**	**76,857**	**74,40,469**	**25.00**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**2,96,85,016**	**76,857**	**2,97,61,873**	**100**	**2,96,85,016**	**76,857**	**2,97,61,873**	**100**	**0**

Note: Percentage in bracket represents negative percentage.

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01-04-2016)			Shareholding at the end of the year (31-03-2017)			% 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	1,78,57,125	60.00	0	1,78,57,125	60.00	0	0
2	Accel Limited	42,81,194	14.38	0	42,81,194	14.38	0	0
3	Accel Systems Group Inc.	183,085	0.62	0	183,085	0.62	0	0
	Total	**2,23,21,404**	**75.00**	**0**	**2,23,21,404**	**75.00**	**0**	**0**

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

Sl. No		Shareholding at the beginning of the year		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	2,23,21,404	75.00	2,23,21,404	75.00
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):	**There is no change in Promoters' Shareholding**			
3	At the End of the year	2,23,21,404	75.00	2,23,21,404	75.00

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

Sl. No.	Name of the Shareholder	Shareholding at the Beginning of the year 01.04.2016		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	**ASHWIN DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,92,228	0.98	2,92,228	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.	2,92,228	0.98	2,92,228	0.98
2	**KANCHAN DUNGERSHI DEDHIA** **ASHOK DUNGERSHI DEDHIA**				
	At the Beginning of the year	1,06,804	0.36	1,06,804	0.36
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	1,71,648	0.58		
	At the End of the year or on the date of separation, if separated during the year.	2,78,452	0.94	2,78,452	0.94
3.	**PRAFUL MEHTA** **DEEPAK MEHTA**				
	At the Beginning of the year	1,08,500	0.36	1,08,500	0.36
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	98,500	0.34		
	At the End of the year or on the date of separation, if separated during the year.	2,07,000	0.70	2,07,000	0.70
4.	**INTEGRATED MASTER SECURITIES PRIVATE LIMITED**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	2,00,000	0.67		
	At the End of the year or on the date ofseparation, if separated during the year.	2,00,000	0.67	2,00,000	0.67

5.	**KANTA DUNGERSHI DEDHIA**				
	At the Beginning of the year	1,46,785	0.49	1,46,785	0.49
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	19,575	0.07		
	At the End of the year or on the date of separation, if separated during the year.	1,66,360	0.56	1,66,360	0.56
6.	**RAVINDRAKUMAR VINAYKUMAR RUIA** **AKSHAY RAVINDRAKUMAR RUIA**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	1,58,040	0.53		
	At the End of the year or on the date of separation, if separated during the year.	1,58,040	0.53	1,58,040	0.53
7.	**GANESH R** **UMAMAHESWARI R**				
	At the Beginning of the year	1,78,360	0.60	1,78,360	0.60
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	(28,000)	(0.09)		
	At the End of the year or on the date ofseparation, if separated during the year.	1,50,360	0.51	1,50,360	0.51
8.	**VEJBAI DUNGERSHI DEDHIA**				
	At the Beginning of the year	74,799	0.25	74,799	0.25
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	53,500	0.18		
	At the End of the year or on the date of separation, if separated during the year.	1,28,299	0.43		
9.	**SATISH GOPAL KRISHNAN PILLAI**				
	At the Beginning of the year	1,16,202	0.39	1,16,202	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.	1,16,202	0.39	1,16,202	0.39
10.	**SATISH GOPALAKRISHNA PILLAI**				
	At the Beginning of the year	1,07,264	0.36	1,07,264	0.36
	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.	1,07,264	0.36	1,07,264	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, 2017. 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 01-04-2016				
i) Principal Amount	14,013	5,268	NIL	19,281
ii) Interest due but not paid	43	-	NIL	43
iii) Interest accrued but not due	-	67	NIL	67
Total (i+ii+iii)	**14,056**	**5,335**	**NIL**	**19,391**
Change in Indebtedness during the financial year				
- Addition	4,573	-	NIL	4,573
- Reduction	-	(88)	NIL	(88)
Net Change	**4,573**	**(88)**	**NIL**	**4,485**
Indebtedness at the end of the financial year 31-03-2017				
i) Principal Amount	18,586	5,180	NIL	23,766
ii) Interest due but not paid	117	-	NIL	117
iii) Interest accrued but not due	-	145	NIL	145
Total (i+ii+iii)	**18,703**	**5,325**	**NIL**	**24,028**

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. Malcolm F. Mehta Chairman & Chief Executive Officer (WTD)*	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	179.43	179.43
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	138.83	138.83
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission		
	- as % of profit	0.00	0.00
	- others, specify…	0.00	0.00
5	Others, please specify - Retirement Benefits	2.65	2.65
	Total (A)	**320.91**	**320.91**
	Ceiling as per the Act	Not applicable	-

(*) M/s. CAC Holdings Corporation, Japan are 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	Mrs. Ruchi Naithani	Mr. Raj Khalid	Total (₹ in Lakhs)
1.	**Independent Directors** • Fee for attending board/ committee meetings	5.20	5.20	4.60	15.00
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	**5.20**	**5.20**	**4.60**	**15.00**
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)	**5.20**	**5.20**	**4.60**	**15.00**
	Total Managerial Remuneration (A)				**320.91**
	Total Remuneration (A+B)				**335.91**
	Overall Ceiling as per the Act	Not applicable			

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

Sl. No.	Particulars of Remuneration	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)	Total (₹ in Lakhs)
1	Gross Salary (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	48.19	4.63	7.64	60.46
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.29	0.00	0.00	0.29
	(c) Profits in lieu of salary under section 17 (3) of Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify	 0.00 0.00	 0.00 0.00	 0.00 0.00	 0.00 0.00
5	Others, please specify Retirement Benefits	1.14	0.21	0.29	1.64
	Total	**49.62**	**4.84**	**7.93**	**62.39**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalities / punishment / compounding of offences for the year ending 31st March, 2017.

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2016-17

[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
75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029.

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

Based on my verification of the Company's 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 March 31, 2017 (**"Audit Period"**) 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 "the Company" for the financial year ended March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 ('Act') and the rules made thereunder;

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

(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 (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit Period)

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (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; (To the extent applicable to the company)

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

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

(vi) All other laws as may be specifically applicable to the Industry from time to time in which the company is operated, say, example SEZ Act and regulations made thereunder, etc.,

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and notified as on date.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them atleast seven days in advance, 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.

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 Environmental, Labour and Industrial laws, rules, regulations and guidelines made thereunder.

There were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the Company's affairs.

For M. Alagar & Associates

Place: Chennai
Date: August 05, 2017

M. Alagar
FCS No: 7488
COP No.: 8196

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

'Annexure A'

To,
The Members

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our examination was limited to the verification of procedure 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.

For M. Alagar & Associates

Place: Chennai
Date: August 05, 2017

M. Alagar
FCS No: 7488
COP No.: 8196

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy 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 of 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 make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets 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 meeting. 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 Familiarization Program for Independent Directors of the Company was being conducted on completion of Board Meetings and the details of such familiarization program are disseminated on the website of the Company 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

The Company has formulated a Whistle Blower Policy of Vigil Mechanism and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code of Conduct or ethics policy. The Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behavior. All suspected violations and reportable matters are reported to the Chairman of the Audit Committee directly. The company affirms that no personnel has been denied access to the Audit Committee. Further details are available in the Whistle Blower Policy/ Vigil Mechanism of the Company posted in Company's Website 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 has an optimum combination of Executive, Non-Executive and Independent Directors, which ensure proper governance and management.

The Board of the Company consist of an Executive Director, 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 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 2016-2017.

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. Malcolm F. Mehta as Chairman and Executive Director, Mr. Bin Cheng as Non-Executive Director and Mr. R.Ramaraj, Mrs. Ruchi Naithani and Mr. Raj Khalid as Independent Non- Executive Directors. Six (6) meetings of the Board of Directors were held on 27-04-2016, 01-08-2016, 21-10-2016, 09-11-2016, 04-02-2017 and 01-03-2017. 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, 2017 have been made by the Directors as per Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 28th November, 2016 with particulars of their Directorships, Chairmanship and Membership of Board Committees of the companies showing the position as on 31st March, 2017 are given below:

Names of the Director	Category as at 31-03-2017	No. of Board Meetings attended Out of 6 meetings held as on 31.03.2017	Attendance at the last AGM held on 28.11.2016	No. of Directorship held in Indian Public Limited Companies (excluding Accel Frontline Limited)	Committee/s position as on 31.03.2017 (All companies excluding Accel Frontline Limited)	
					Member	Chairman
Mr. Malcolm F. Mehta	Chairman and Executive Director (*)	6	Yes	01	0	0
Mr. R. Ramaraj	Non Executive Independent	6	Yes	04	03	01
Mr. Bin Cheng	Non Executive Non Independent	4	No	0	0	0
Mrs. Ruchi Naithani	Non Executive Independent	6	Yes	0	0	0
Mr. Raj Khalid	Non Executive Independent	5	Yes	0	0	0

Other directorships do not include alternate directorships, directorships of private limited companies, 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.

(*) Re-appointed as Chairman & Chief Executive Officer w.e.f 1st July 2017 for a period of another 3 years.

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, 2017. The Annual Report of the Company contains a Certificate signed by the Chairman and Executive Director 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 (CS);
- 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 31/03/2017 and the number of Directors present are given below:

Sr. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors Present
1.	27-04-2016	5	4
2.	01-08-2016	5	4
3.	21-10-2016	5	5
4.	09-11-2016	5	5
5.	04-02-2017	5	5
6.	01-03-2017	5	4

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 four Non-Executive Directors, out of which three 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 28th November, 2016.

(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 ascertain 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
Mrs. Ruchi Naithani	Member
Mr. Bin Cheng	Member
Mr. Raj Khalid*	Member

*Became member w.e.f. 1st March, 2017

During the year, 4 (Four) Audit Committee meetings were held on 19-07-2016, 01-08-2016, 09-11-2016 and 04-02-2017.

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	4	4
Mrs. Ruchi Naithani	Independent	4	4
Mr. Bin Cheng	Non-Executive, Non-Independent	4	3
Mr. Raj Khalid *	Independent	4	0

* Mr. Raj Khalid became the member of the committee from 1st March, 2017 after that there were no audit committee meeting held during the financial year.

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 :

Mrs. 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 3 (Three) meetings of Nomination and Remuneration Committee were held on 27-04-2016, 01-08-2016 and 21-10-2016.

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
Mrs. Ruchi Naithani	Independent	3	3
Mr. Raj Khalid	Independent	3	3
Mr. Bin Cheng	Non Executive, Non Independent	3	2

(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 is 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 Chairman and Executive Director

(a) Mr. Malcolm F. Mehta, is the Chairman and Executive Director of the Company. The salary, benefits and perquisites paid to Mr. Malcolm F. Mehta were ₹ 320.91 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, 2017 are as under:

Names of Director	Sitting Fee (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
Mr. R. Ramaraj	5.20	Nil	5.20
Mrs. Ruchi Naithani	5.20	Nil	5.20
Mr. Raj Khalid	4.60	Nil	4.60

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, 3 (Three) meetings of the Stakeholders Relationship Committee were held on 01-08-2016, 09-11-2016 and 04-02-2017.

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	3	3
Mr. R. Ramaraj	Independent	3	3
Mr. Bin Cheng	Non Executive, Non Independent	3	2

(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 4th February, 2017 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 lines 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

Mr. S. Sundaramurthy, 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: sundaramurthy.s@accelfrontline.com

(E) Complaints received and redressed during the year 2016-17.

Opening Balance	Received during the year 2016-2017	Resolved during the year 2016-2017	Closing Balance
0	04*	04	0

*Nature of Complaints - Uploading of Annual Report for the year 2015-16 and AGM details on the website of the company and BSE.

(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 lying at the end of 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

During the year 2016-17, the company has not transferred any amount to IEPF.

(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 (www.accelfrontline.com) in line with MCA Circular.

(I) Transfer of shares to IEPF.

As per amended IEPF (Accounting, Audit, Transfer and Refund) Rules, 2017, the company is required to transfer the underlying shares for which the dividends were not claimed for 7 consecutive years, to IEPF authority. In this regard, the Company has sent notices on 11/01/2017 to those shareholders who have not claimed their dividends from the year 2009-10, advising them to claim the dividends. The company will transfer such shares including the shares in suspense account upon notification by the Ministry of Corporate Affairs.

Information in respect of unclaimed dividends due to be transferred to IEPF is given below:

Dividend for the Financial Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2010 - 2011	29th September, 2011	03rd November, 2018
2011-2012	19th December, 2012	23rd January, 2020

(J) 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, except for Valuation of Inventory of Maintenance Division. 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) Mr. Malcolm F. Mehta (DIN: 03277490) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

(iv) Mr. Malcolm F. Mehta (DIN: 03277490) was reappointed as Whole Time Director for a further period of three years with effect from 1st July, 2017 to be designated as the Chairman and Chief Executive Officer (CEO) & Key Managerial Personnel of the Company.

(v) Mr. Rajesh R. Muni (DIN: 00193527) was appointed as an Additional Director (Non-Executive and Independent Director) of the Company with effect from 06th May, 2017 and holds office upto this Annual General Meeting and Mr. Rajesh R. Muni appointed as an Independent Director for a term of 5 years upto 5th May, 2022.

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 Newspaper as per the Listing Requirements and also posted in the Company's website www.accelfrontline.com along with other important events.

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

There are Audit qualifications in the Financial Statements of the Company for the Year 2016-2017 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 Chairperson 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
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
2016	28.11.2016	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 018.	09.00 A.M	Yes(*)

(*) Special Resolution passed in the previous AGM

Year	Purpose
2014	➢ Appointment of Auditors M/s. Walker Chandiok & Co LLP, Chartered Accountants. ➢ Appointment of Mr. Malcolm F. Mehta as an Executive 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.
2016	➢ Re-Appointment of Mr. R.Ramaraj as an Independent Director. ➢ Consent under Section 180(1)(c) of the Companies Act, 2013 for Borrowings.

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

1. An Extra Ordinary General Meeting of the shareholders of the Company was held on 8th January, 2014 at 10.30 AM 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.
2. An Extra Ordinary General Meeting of the shareholders of the Company was held on 27th March, 2017 at 09.00 AM at The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai – 600 014 for the approval of shareholders:
   - To sell / dispose the entire stake of a Subsidiary Company in Singapore.

(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, 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 in which newspaper normally published	Mint and Makkal Kural/ Financial Express and Malai Sudar
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	Friday, 15th September, 2017
Time	02:30 P.M.
Venue	The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014.

(ii) Financial Year : April to March

Financial Calendar (Tentative)

Results for quarter ending 30th June, 2017	Mid August, 2017
Results for quarter ending 30th September, 2017	Mid November, 2017
Results for quarter ending 31st December, 2017	Mid February, 2018
Results for year ending 31st March, 2018	End May, 2018

(iii) Book Closure

Date of Book Closure	Saturday, 09th September, 2017 to Friday, 15th September, 2017 (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 Limited. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	AFL
The BSE Limited. Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001.	532774
ISIN Number – INE020G01017	

The Annual Listing fees for the year 2017-2018 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	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	66.05	47.65	66.55	48.45
May 2016	70.00	48.50	75.00	48.25
June 2016	58.15	50.00	57.25	50.00
July 2016	62.00	54.00	60.00	54.00
August 2016	76.00	48.50	76.00	49.30
September 2016	70.40	56.00	70.25	56.05
October 2016	66.80	57.80	67.00	57.75
November 2016	72.00	51.50	72.00	50.60
December 2016	62.50	50.10	62.45	51.65
January 2017	63.95	54.05	64.10	54.50
February 2017	72.85	58.15	73.10	58.00
March 2017	78.80	61.30	78.90	65.50

b. Performance in comparison to broad-based indices such BSE Sensex and Nifty 100.

(i) AFL share price on BSE vis-à-vis BSE Sensex April – March 2017.

Month	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2016	25,606.62	66.55	48.45	66.45	4,03,105	232.21
May 2016	26,667.96	75.00	48.25	50.50	3,20,829	211.86
June 2016	26,999.72	57.25	50.00	55.45	1,17,030	62.48
July 2016	28,051.86	60.00	54.00	54.30	62,090	34.98
August 2016	28,452.17	76.00	49.30	69.80	5,60,490	358.21
September 2016	27,865.96	70.25	56.05	59.20	2,09,047	136.24
October 2016	27,930.21	67.00	57.75	61.15	3,22,033	197.63
November 2016	26,652.81	72.00	50.60	59.95	5,33,345	346.36
December 2016	26,626.46	62.45	51.65	54.10	1,58,334	90.59
January 2017	27,655.96	64.10	54.50	59.50	2,55,774	152.16
February 2017	28,743.32	73.10	58.00	68.55	4,18,127	278.82
March 2017	29,620.50	78.90	65.50	72.20	9,13,967	645.99

(ii) AFL share price on NSE vis-à-vis Nifty 100 Close price April – March 2017.

Month	Nifty 100 Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2016	7,963.65	66.05	47.65	66.00	7,00,848	406.93
May 2016	8,254.80	70.00	48.50	50.30	3,19,791	196.17
June 2016	8,416.20	58.15	50.00	54.80	1,83,688	98.05
July 2016	8,839.00	62.00	54.00	54.40	1,75,618	99.58
August 2016	9,000.50	76.00	48.50	69.85	12,06,849	742.69
September 2016	8,844.20	70.40	56.00	59.40	3,42,228	223.12
October 2016	8,900.55	66.80	57.80	61.10	5,56,813	341.89
November 2016	8,466.40	72.00	51.50	59.90	12,08,063	773.16
December 2016	8,382.50	62.50	50.10	53.85	2,99,538	172.93
January 2017	8,825.00	63.95	54.05	59.15	5,93,083	348.94
February 2017	9,170.95	72.85	58.15	68.55	9,06,243	604.33
March 2017	9,467.10	78.80	61.30	71.30	12,32,170	883.20

(vi) Registrars and Share Transfer Agents

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

M/s. Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.
Tel: 022-49186270
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

(vii) Shareholding as on 31st March, 2017

(a) Distribution of shareholding as on 31st March, 2017

Shares – Range From	To	Number Of Share holders	% Of Total Share holders	Total Shares For The Range	% Of Issued Capital
1	500	6,355	81.97	8,46,232	2.84
501	1,000	577	7.44	4,88,727	1.64
1,001	2,000	332	4.28	5,31,919	1.79
2,001	3,000	155	1.99	4,09,246	1.38
3,001	4,000	69	0.89	2,46,326	0.83
4,001	5,000	65	0.84	3,10,461	1.04
5,001	10,000	102	1.33	7,50,790	2.52
10,001 and above		98	1.26	2,61,78,172	87.96
Total		**7,753**	**100.00**	**2,97,61,873**	**100.00**

b) Shareholding pattern as on 31st March, 2017

Category	No. of shares held	% to the total paid up capital
Promoters		
Indian	42,81,194	14.38
Foreign	1,80,40,210	60.62
Non Promoters		
Financial Institution/Banks	29,895	0.10
Other Bodies Corporate	10,56,302	3.55
NRIs	3,40,971	1.15
Clearing Member	99,510	0.33
Trusts	1,400	0.00
Hindu Undivided Family	4,17,614	1.41
Public	54,94,777	18.46

Capital of the Company

Authorized Capital .. ₹ 33,00,00,000

Paid-up Capital .. ₹ 29,76,18,730

(c) Top Ten Shareholders as on 31st March, 2017

Sl. No.	Category	Name of the Shareholder	No. of shares held	% to the total paid up capital
1	Promoter	CAC Holdings Corporation	1,78,57,125	60.00
2	Promoter	Accel Limited	42,81,194	14.38
3	Non-Promoter	Ashwin Dungershi Dedhia	2,92,228	0.98
4	Non-Promoter	Kanchan Dungershi Dedhia Ashok Dungershi Dedhia	2,78,452	0.94
5	Non-Promoter	Praful Mehta Deepak Mehta	2,07,000	0.69
6	Non-Promoter	Integrated Master Securities Pvt. Ltd.	2,00,000	0.67
7	Promoter	Accel Systems Group Inc	1,83,085	0.62
8	Non-Promoter	Kanta Dungershi Dedhia	1,66,360	0.56
9	Non-Promoter	Ravindrakumar Vinaykumar Ruia Akshay Ravindrakumar Ruia	1,58,040	0.53
10	Non-Promoter	Ganesh R Umamaheswari R	1,50,360	0.51

Dematerialization of shares and liquidity

99.74% of the equity shares have been dematerialized as on 31st March, 2017.

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

(viii) Outstanding 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's manufacturing unit at Gandhipuram, Trivandrum has been shifted to Maduravoyal, Chennai.

(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.

A fine was imposed on the Company for non-compliance of Listing Regulation 33, (submission of audited financial statement) for not adopting the audited financial results for the year ended 31st March, 2016 within the stipulated time of 30th May, 2016. Later, the Company had 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 safeguard 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.

(e) Web link where policy on dealing with related party transactions is disclosed;

The Policy on dealing with related party transactions 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	• 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	• 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
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

Independent Auditor's Certificate on Corporate Governance

To the Members of Accel Frontline Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 December 2016.
2. We have examined the compliance of conditions of corporate governance by Accel Frontline Limited ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, 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').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

   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

8. 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 : 26 May 2017

COMPLIANCE CERTIFICATE

The Chairman & Executive Director and the Chief Financial Officer of the Company give annual certification 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 Chairman & Executive Director and the Chief Financial Officer is given below:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our 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.

B. We are, to the best of our knowledge and belief, 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We 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 we 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
Chairman & Executive Director

R. Neelakantan
Chief Financial Officer

Place: Chennai
Date: 26th May, 2017

Declaration signed by the Chairman & 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 have affirmed compliance with Accel Frontline Limited's Code of Conduct for the year ended 31st March, 2017.

Place: Chennai
Date: 26th May, 2017

Malcolm F. Mehta
Chairman & Executive Director

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 2017, 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 including in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group,covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for 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. These financial statements 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 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 these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of theconsolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant 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 ofthe 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 usand the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

Basis for Qualified Opinion

8. As disclosed in note 33 to the consolidated financial statements, the Holding Company's inventory at its maintenance divisions is carried at ₹3,594 lakhs as at 31 March 2017 (31 March 2016: ₹3,823 lakhs). According to the information and explanations given to us, the management is unable 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 2017, changes in inventories of stock-in-trade and spares, and the consequent impact, on the accompanying consolidated financial statements. Our audit opinion on the consolidated financial statements for the previous year ended 31 March 2016 and the review reports for the quarters and periods ended 30 June 2016, 30 September 2016 and 31 December 2016 were also qualified in this regard.
9. We draw attention to the following qualification to the audit opinion on the financial statements of Accel Japan Kabushaki Kaishai, Japan, a subsidiary of the

Holding Company issued by an independent firm of Chartered Accountants vide its report dated 27 April 2017 reproduced by us as under:

We draw attention to note 36 of the financial statements, the management observed that certain revenue and advances were recorded in the books of account without adequate supporting documents, details and other relevant information. The impact of unbilled revenue and advances, identified thus far has been disclosed as exceptional items, which in the opinion of the management, is adequate as on date. In the absence of adequate supporting information we are unable to comment on the appropriateness of the same.

Qualified Opinion

10. 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 separate financial statements of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph abovethe 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 2017, and their consolidated loss and theirconsolidated cash flows for the year ended on that date.

Emphasis of Matters

11. We draw attention to note 34 (a) to the financial statements which indicates that the Group has incurred loss after tax of ₹ 2,394 lakhs during the year ended 31 March 2017 and, as of that date, the Group's negative reserves amounted to ₹ 7,713 lakhs resulting in complete erosion of the Group's net worth. Further, as of that date, the Group's current liabilities exceeded its current assets by ₹ 5,141 lakhs. These conditions, along with matters as set forth in note 34 (a) 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.

12. We draw attention to Note 34 (b) to the consolidated financial statements regarding the carrying value of the goodwill amounting to ₹ 414 lakhs with respect to investment in a subsidiary as at 31 March 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 31 March 2017. However, based on the subsidiary's future business plans, which have been developed using certain management assumptions and estimates, no impairment has been recognised in the carrying value of goodwill in the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

13. We draw attention to the following emphasis of matter to the audit opinion on the financial statement of Accel IT Resources Limited, India, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 27 April 2017 reproduced by us as under:

(i) We draw attention to Note No. 22 attached to financial statements regarding the going concern status of the Company. The Accumulated loss as at the year end exceeds the paid up share capital by Rs. 346 lakhs. The current liabilities as at the year-end exceeds the current assets by Rs.394 lakhs. However, the Financial Statements are prepared on a going concern basis for the reasons stated therein.

(ii) We draw attention to Note no. 13.1 attached to financial statements regarding various statutory and other demands aggregating to Rs. 210 lakhs respectively. No provision is made in the accounts, since the management is hopeful of successful outcome of the appeals filed against the above demands.

Our opinion is not qualified in respect of the above matters.

Other Matters

14. We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of ₹14,815 lakhs and net assets of ₹ 3,498 lakhs as at 31 March 2017, total revenues of ₹24,359 lakhs and net cash inflows amounting to ₹ 2,061 lakhs for the year ended on that date, as considered in the consolidated financial statements.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.

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

15. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are 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, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, we report, to the extent applicable, that:

    a) We have sought and except for the possible effects of the matter 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) 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, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph.

    c) the reports on the accounts of the branch offices 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 possible effects of the matter described in the Basis for Qualified Opinion paragraph,in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

    f) The matter described in paragraph 11 of the Emphasis of Matters and paragraph 8in Annexure B, in our opinion, may have an adverse effect on the functioning of the Holding Company

    g) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies covered under the Act,are disqualified as on 31 March 2017 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) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

    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 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

    (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 44 to the consolidated financial statements.

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

    (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companiescovered under the Act;

    (iv) These consolidated financial statements have made requisite disclosures in note 48 as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts and deposits in bank are in accordance with the books of account maintained by the Holding Company. However, in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between specified bank notes and other denomination notes of 'permitted receipts', 'non-permitted receipts' and 'deposits in banks' as disclosed under such note (note 43a).Based on the reports of other auditors with respect to the subsidiary company, in our opinion, the disclosures in note 43(b) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, we report that the disclosures are in accordance with books of account maintained by the subsidiary 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 : 26 May 2017

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

1. In conjunction with our audit of the consolidated financial statements of Accel Frontline Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group")as at and for the year ended 31 March 2017, 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 the 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 theAct.

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 Auditingissued by the Institute of Chartered Accountants of India ("the 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 andthe Guidance Note require that we comply with ethical requirements and plan and perform theaudit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in allmaterial respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy ofthe IFCoFR and their operating effectiveness.Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that amaterial weakness exists, and testing and evaluating the design and operating effectiveness ofinternal 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 and 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 toprovide a basis for our qualified audit opinion on the IFCoFR of the Holding Company and its subsidiary company as 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 offinancial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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 preparationof 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, ordisposition 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 theIFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31 March 2017:

The Holding Company did not have appropriate internal controls over inventory with respect to issue for consumption, and valuation of inventory, which resulted or could have potentially resulted in material misstatement in the value of Holding Company's inventory, cost of sales 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 IFCoFR, 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.

Qualified Opinion

9.In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company has, 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 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 2017, based on the internal control over financial reporting criteria established by the subsidiary company considering the essential components of internal control stated in Guidance Note by ICAI.

Other Matters

11. We did not audit the IFCoFR in so far as it relates to one subsidiary company incorporated in India, whose financial statements reflect total assets of ₹ 129 lakhs as at 31 March 2017, total revenues of ₹ 202 lakhs and net cashflows amounting to ₹4 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 so far as it relates to the aforesaid subsidiary, which is a company 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:26 May 2017

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Consolidated Balance Sheet

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

	Notes	As at March 31, 2017	As at March 31, 2016
			₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	(7,713)	(5,246)
		(4,737)	**(2,270)**
Minority Interest		**2,689**	**1,825**
Non-current liabilities			
Long-term borrowings	6	6,155	6,630
Deferred tax liabilities	7	129	95
Long-term provisions	8	905	943
		7,189	**7,668**
Current liabilities			
Short-term borrowings	9	18,503	13,829
Trade payables	10		
Dues to micro and small enterprises		-	-
Dues to others		6,831	6,452
Other current liabilities	11	9,077	7,568
Short-term provisions	8	413	262
		34,824	28,111
Total		**39,965**	**35,334**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	1,400	1,652
Intangible assets	12	2,520	2,978
Non-current investments	13	-	-
Deferred tax asset, net	7	-	-
Long-term loans and advances	14	5,623	4,773
Other non current assets	15	739	735
		10,282	**10,138**
Current assets			
Inventories	16	3,821	3,647
Trade receivables	17	16,643	15,269
Cash and bank balances	18	4,928	3,576
Short-term loans and advances	14	3,004	2,196
Other current assets	19	1,287	508
		29,683	25,196
Total		**39,965**	**35,334**

Notes 1 to 45 form an integral part of these financial statements

This is the consolidated balance sheet refered to in our report of even 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
Chairman & Executive Director
(DIN No : 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

S. Sundaramurthy
Company Secretary

Place : Chennai
Date : 26th May 2017

Consolidated Statement of Profit and Loss

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

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
			₹ in Lakhs
REVENUE			
Revenue from operations (Gross)	20	58,916	51,214
Less: Excise duty		(43)	(109)
Revenue from operations (Net)		58,873	51,105
Other income	21	207	188
Total revenue		**59,080**	**51,293**
EXPENSES			
Cost of raw material and components consumed	22	189	717
Purchases of stock-in-trade and stores and spares	23	25,297	19,870
Changes in inventories of Stock-in-trade and stores and spares	24	(104)	483
Employee benefits expense	25	16,634	13,866
Finance costs	26	2,501	2,083
Depreciation, amortization expense and impairment loss	27	1,464	1,262
Other expenses	28	13,973	14,859
Total expenses		**59,954**	**53,140**
Loss before tax, prior period and exceptional items		(874)	(1,847)
Prior period items	29(a)	-	8,665
(Loss)/Profit before tax and exceptional items		**(874)**	**(10,512)**
Exceptional items	29(b)	**134**	**2,800**
Loss before tax		**(1,008)**	**(13,312)**
Tax expense			
Current tax		335	214
Deferred tax		42	156
		377	**370**
Loss for the year		(1,385)	(13,682)
Minority interest		(1,009)	(822)
Loss after tax and minority interest for the year		**(2,394)**	**(14,504)**
Earnings per equity share (Nominal value ₹ 10 per share)			
Basic (In ₹)	38	(8.04)	(48.73)
Diluted (In ₹)		(8.04)	(48.73)

Notes 1 to 45 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

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

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

R. Ramaraj
Director
(DIN No : 00090279)

R. Neelakantan
Chief Financial Officer

S. Sundaramurthy
Company Secretary

Place : Chennai
Date : 26th May 2017

Cash Flow Statement

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

	Year ended March 31, 2017	Year ended March 31, 2016
	₹ in Lakhs	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,008)	(13,312)
Adjustments for:		
Depreciation, amortization expense & Impairment Loss	1,464	1,262
Interest Expense	2,501	2,083
Unrealized foreign exchange (gain)/loss	(77)	286
Provision for gratuity and compensated absences	166	365
(Profit) / Loss on sale of fixed assets (net)	(1)	20
Provision for warranty	-	138
Provision for doubtful debts	866	132
Provision for doubtful advances	27	51
Bad debts written-off	308	2,119
Interest and Dividend income	(45)	(86)
Prior period and exceptional items	134	9,772
Operating profit before working capital changes	**4,335**	**2,830**
Adjustments for:		
Increase/(decrease) in trade payables	379	(180)
Increase in other current liabilities	1,374	785
(Increase) in inventories	(174)	(566)
(Increase) in trade receivables	(2,706)	(647)
Decrease in long-term loans and advances	69	331
(Increase) in short-term loans and advances	(909)	(1,702)
Decrease in provision for warranty	(53)	-
(Increase)/decrease in other current assets	(828)	165
Cash generated from operations	**1,487**	**1,015**
Direct taxes (paid) / refund, net	(705)	252
Net cash generated from operating activities	**782**	**1,267**
B. Cash flow from investing activities		
Purchase of assets (including capital work in progress and Capital advance)	(778)	(1,039)
Sale proceeds on disposal of assets	1	20
Interest received	94	37
Movement in bank deposits	(51)	37
Net cash (used in) investing activities	**(733)**	**(945)**
C. Cash flow from financing activities		
Increase in short term borrowings, net	4,674	1,086
Repayment of long term borrowings	(443)	(33)
Dividend transferred to Investor's Protection fund	-	(2)
Interest paid to banks and related parties	(2,665)	(2,103)
Net cash (used in)/generated from financing activities	**1,565**	**(1,052)**
D. Net cash increase / (decrease) during the year	**1,614**	**(730)**
E. Cash and cash equivalents at the beginning	3,415	3,885

Cash Flow Statement

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

	₹ in Lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
Effects of foreign currency translation	325	(260)
F. Cash and cash equivalents at the end	**4,705**	**3,415**
Cash and cash equivalents comprise of:		
Cash on hand	7	17
Cheques on hand	0	49
Balances with banks - in current accounts	4,698	3,350
Cash and cash equivalents as per note 18	**4,705**	**3,415**

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

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

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

R. Ramaraj
Director
(DIN No : 00090279)

R. Neelakantan
Chief Financial Officer

S. Sundaramurthy
Company Secretary

Place : Chennai
Date : 26th May 2017

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Summary of significant accounting policies and other explanatory information

1 General Information

(a) Background

Accel Frontline Limited ("Accel" or the Company) and its subsidiaries (collectively referred to as "the Group") 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 2017. 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

Summary of significant accounting policies and other explanatory information

attributable to the shareholders of the Group. Their 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	As at 31 March 2017				As at 31 March 2016			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % Consolidated Net Assets	Amount	As % Consolidated Net Assets	Amount	As % Consolidated Net Assets	Amount	As % Consolidated Net Assets	Amount
Holding Company								
Accel Forntline Limited	94.00%	(4.437)	87%	(2,082)	104%	(2,356)	95%	(13,759)
Indian Subsidiary								
Accel IT Resources Limited	8.00%	(380)	11%	(267)	5%	(114)	0%	(35)
Foreign Subsidiaries								
Accel Frontline DMCC, Dubai, (formerly Accel Frontline JLT, Dubai)	4.00%	(207)	18%	(435)	-11%	244	6%	(926)
Accel Systems & Technologies Pte. Limited, Singapore	-118.00%	5.557	-86%	2,059	-161%	3,656	-12%	1,677
Accel Technologies Ltd, UK	3.00%	(127)	1%	(28)	5%	(117)	0%	(29)
Accel North America Inc., USA	16.00%	(777)	14%	(343)	19%	(436)	3%	(487)
Network Programs (USA) Inc., USA	7.00%	(343)	1%	(17)	15%	(332)	1%	(121)
Accel Japan KK, Japan	6.00%	(273)	10%	(248)	1%	(33)	-1%	88
Network Programs (Japan), Inc., USA	-2.00%	72	0%	-	-3%	74	0%	(8)
Less: Minority Interest	57.00%	(2,689)	42%	(1,009)	-80%	1,825	-6%	822
Subtotal	**76.00%**	**(3,585)**	**99%**	**(2,370)**	**55%**	**(1,239)**	**99%**	**(14,422)**
Less: Effect of Inter-company adjustments/ eliminations		1,152		25		1,031		82
Total	**100.00%**	**(4,737)**	**100%**	**(2,394)**	**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)

(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 2017 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, 2017		As at March 31, 2016	
		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 & 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
Nominal Value ₹ 10 per share				
CAC Holding Corporation, Holding Company	17,857,125	60.00%	17,857,125	60.00%
Accel Limited, Promoter Company	4,281,194	14.38%	4,281,194	14.38%

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 shareholder 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) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues or bought back during the last 5 years immediately preceding 31 March 2017.

		As at March 31, 2017	As at March 31, 2016
5	**Reserves and surplus**		
	Securities premium reserve	6,857	6,857
	General reserve	859	859
	(Deficit) / Surplus in the statement of profit and loss		
	Balance at the beginning of the year	(13,289)	1,215
	Add : Transferred from statement of profit and loss	(2,394)	(14,504)
	Balance at the end of the year	**(15,683)**	**(13,289)**
	Foreign currency translation reserve	**254**	**327**
		(7,713)	**(5,246)**

Summary of Significant Accounting Policies and other Explanatory Information

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

		As at March 31, 2017	As at March 31, 2016
6	**Long term borrowings**		
	Secured		
	From bank		
	Finance lease obligations (Also, refer note (a) below)	**39**	**61**
	From others		
	Loan against keyman insurance policy (Also, refer note (b) below)	141	129
		180	**190**
	Less: Classified as other current liabilities		
	Current maturities of long-term borrowings (Also, refer note 11)	(18)	(22)
		162	**168**
	Unsecured		
	From others		
	Loans and advances from related parties (Also, refer note (c) below)	6,708	7,259
	Less: Classified as other current liabilities		
	Current maturities of long-term borrowings (Also, refer note 11)	(715)	(797)
		5,993	**6,462**
		6,155	**6,630**

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 repayable in equated monthly instalments from date of loan and carry interest rate between 5% to 9% per annum. Also, refer note 12(ii).

The details of lease commitments in terms of minimum lease payments (MLP) & Present value of MLP are as follows:

₹ **In Lakhs**

	As at March 31, 2017		As at March 31, 2016	
Payments falling due:	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Payable not later than 1 year	22	18	27	22
Payable later than one year but not later than 5 years	22	21	44	39
Total	44	39	71	61
Less Amounts representing interest	5	-	10	-
	39	39	61	61

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 ₹ 3,814 (As at 31 March 2016: ₹ 3,902) at an interest rate of 4.5%+6 months LIBOR rate and the entire amount being repayable in 2021-22. Also refer note 40(c).

- Accel North America Inc., USA to the tune of ₹ 1,167 (As at 31 March 2016: ₹ 1,526) at an interest rate of 3.25%+6 months LIBOR rate and repayable over the period 2017-18 to 2019-20 in five tranches occuring once in every 6 months. Also refer note 40(c).

- Network Programs (USA) Inc., USA, to the tune of ₹ 357 (As at 31 March 2016: ₹ 464) at an interest rate of 3.25%+6 months LIBOR rate and repayable over the period 2017-18 to 2019-20 in five tranches occuring once in every 6 months. Also refer note 40(c)."

The loans and advances from related parties also includes loans from Accel Limited to the tune of ₹ 1,366 (As at 31 March 2016: ₹ 1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also refer note 40(c).

The loans and advances from related parties also includes loans from Accel Systems Group Inc, USA obtained by one of the subsidiaries, Accel North America, to the tune of ₹4 (As at 31 March 2016: ₹5), towards working capital requirements, bearing Nil rate of interest.

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		As at March 31, 2017	As at March 31, 2016
7	**Deferred tax**		
	(i) **Deferred tax liability**		
	The breakup of 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	129	95
	Deferred tax liability	**129**	**95**
	(ii) Deferred tax asset (net)*		
	The breakup of net deferred tax (asset)/liability is as follows:		
	Deferred tax (asset) arising on account of :		
	Timing difference between depreciation/ amortization as per financials and depreciation as per tax	308	220
		308	**220**
	Less: Deferred tax asset arising on account of :		
	Provision for employee benefits	(365)	(324)
	Provision for doubtful receivables	(293)	(79)
	Provision for diminution in value of investments	(74)	(74)
	Unabsorbed depreciation and business losses	(3,481)	(1,353)
		(3,905)	**(1,610)**
	Net deferred tax asset	-	-

* 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 2017		As at 31 March 2016	
		Long Term	**Short Term**	**Long Term**	**Short Term**
8	**Provisions**				
	Provisions for employee benefits				
	Gratuity (Also, refer note a(i) below)	728	237	743	110
	Compensated absences (Also, refer note a(ii) below)	153	110	140	69
	Provision for warranty (Also, refer note (b) below)	24	66	60	83
		905	**413**	**943**	**262**

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:

Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	888	691
Current service cost	167	111
Interest cost	57	45
Actuarial (gain)/loss	(44)	138
Benefits paid	(96)	(97)
Projected benefit obligation at the end of the year	**973**	**888**

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 2017	As at 31 March 2016
Fair value of plan assets at the beginning of the year	35	96
Expected return on plan assets	3	8
Employer contributions	53	6
Benefits paid	(85)	(97)
Other adjustments	-	14
Actuarial gain on plan assets	1	8
Fair value of plan assets at the end of the year	**7**	**35**

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	973	888
Fair value of plan assets at the end of the year	7	35
Liability recognized in the balance sheet	**966**	**853**
Thereof		
Unfunded	966	853
Components of net gratuity costs are		
Current service cost	167	111
Interest cost	57	45
Expected returns on plan assets	(3)	(8)
Recognized net actuarial (gain) / loss	(45)	130
Net gratuity costs recognized in the income statement	**177**	**279**
Principal actuarial assumptions used :		
Discount rate	6.60%-7.70%	7.70%-7.80%
Long-term rate of compensation increase	7.50%-8.00%	7.50%
Expected rate of return on plan assets	7.50%	8.00%
Average remaining life (in years)	25-28	25-28
Attrition rate	5%- 34%	5%-20%

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 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of defined benefit obligation	(973)	(743)	(568)	(353)	(113)
Fair value of plan assets	7	35	96	164	-
(Deficit) in the plan	(966)	(708)	(472)	(189)	(113)

(ii) Compensated absences

The liability of the Holding Company and its subsidiary incorporated in India in respect of the 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 Holding Company and its subsidiary incorporated in India does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :		
Discount rate	6.60%-7.70%	7.70%-7.80%
Long-term rate of compensation increase	7.50%-8.00%	7.50%
Average remaining life	25-28	25-28
Attrition rate	5%-34%	5%-20%
b) Provision for warranty		
Balance at the beginning of the year	143	5
Created during the year, net	-	183
Utilised/reversed during the year	(53)	(45)
Balance at the end of the year	**90**	**143**

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 2017**	**As at 31 March 2016**
Repayable on demand		
Secured:		
- Working capital demand loan	4,500	4,500
- Short term loan	1,250	-
- Cash credit	6,065	2,216
- Letter of credit	6,682	3,228
Unsecured:		
- Working capital demand loan	6	3,880
- Loans from related parties	-	5
	18,503	**13,829**

(a) Details of guarantee		
Guaranteed by ultimate holding company		
From banks		
- Working capital demand loan	4,500	4,500
- Short term loan	1,250	0
- Cash credit	6,048	393
- Letter of credit	6,090	1,069
Guaranteed by director and promoter company		
From banks		
- Cash credit	17	1,223
- Letter of credit	-	330

(b) Details of terms and security

The Holding Company has availed a working capital demand loan worth ₹ 4,500 (as at 31 March 2016: ₹ 4,500) valid till 31 March 2017 from Sumitomo Mitsui Banking Corporation at an interest rate of 9.85% (31 March 2016: 10.90%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

During the year, the Holding Company has also availed a short term loan facility ₹ 1,250 (as at 31 March 2016: Nil)from Mizuho Bank Ltd at an interest rate of 9% (based on market conditions and Marginal cost of funds based lending rate (MCLR)) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

Cash credits guaranteed by Ultimate holding company represents:

(i) The Holding Company has availed a cash credit facility worth ₹ 5,669 (as at 31 March 2016: 3,880) from Mizuho Bank Limited at an interest rate of 11% which has been secured (during the year) by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

(ii) The Holding Company has availed a cash credit facility from Sumitomo Mitsui Banking Corporation worth ₹ 288 (as at 31 March 2016: ₹ 393) at an interest rate of 12.60% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

(iii) One of the subsidiaries, Accel Frontline DMCC, Dubai, has availed a cash credit facility from Emirates NBD worth ₹ 91 (as at 31 March 2016 : Nil) which are secured by the Corporate Guarantee provided by CAC Holdings

Summary of Significant Accounting Policies and other Explanatory Information

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

Corporation, Japan.

Cash credits guaranteed by promoter and promoter company represents:

(i) Cash credits availed from SBI bank worth ₹ 2 (as at 31 March 2016: ₹ 595 Lakhs) at an interest rate of 16.30% 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 charge on certain properties owned by promoter company.

(ii) Cash credits from IDBI worth ₹ 15 (as at 31 March 2016: ₹ 29 Lakhs) at an interest rate of 14% which is secured by first pari passu charge on all the current assets and moveable fixed assets of the Holding Company, including book debts and inventories and irrecovocable and unconditional personal guarantee of the promoter

The Holding Company has also availed cash credits from Axis bank worth ₹ Nil (as at 31 March 2016: ₹ 599)at an interest rate of 12.50% which is secured by pari passu charge on all the current assets and moveable assets of the Holding Company, including book debts and inventories.

The Holding Company has availed letter of credits from banks which are secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan or hypothecation of goods purchased under the letter of credit.

10 Trade payables	**As at 31 March 2017**	**As at 31 March 2016**
Dues to micro and small enterprises*	-	-
Dues to others (also, refer note 40(c))	6,831	6,452
	6,831	6,452

* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Holding Company and subsidiary incorporated in India, owe 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 Group and have been relied upon by the auditors.

11 Other current liabilities		
Current maturities of long-term debt (Also, refer note 6)		
Finance lease obligations	18	22
Loans and advances from related parties	715	797
Unearned revenue	3,526	3,351
Unpaid dividends	4	4
Statutory dues	541	444
Employee related payables	1,264	1,015
Interest accrued but not due (also, refer note 40(c))	262	110
Other payables	2,748	1,825
	9,077	**7,568**

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	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 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)	-	(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**	**5,092**	**3,073**	**4,243**	**172**	**7,488**	**12,581**
Additions	17	-	5	13	736	-	771	-	7	-	7	778
Deletions	(175)	(32)	(297)	(36)	(767)	-	(1,306)	-	(23)	-	(23)	(1,329)
Disposals	-	-	-	-	-	(13)	(13)	-	-	-	-	(13)
Exchange fluctuation	(4)	(0)	(2)	(1)	(51)	(1)	(59)	-	(8)	-	(8)	(67)
Balance as at 31 March 2017	**523**	**258**	**340**	**336**	**2,810**	**219**	**4,485**	**3,073**	**4,220**	**172**	**7,465**	**11,950**
Accumulated depreciation/amortization												
Balance as at 01 April 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 Loss (Also refer note (i) below)	-	-	-	-	-	-	-	371	371	-	742	742
Prior period (Also, refer note 29(a))	-	(6)	-	-	-	-	(6)	-	-	-	-	(6)
Exchange fluctuation	2	1	2	1	14	1	22	-	8	-	8	30
Balance as at 31 March 2016	**541**	**136**	**499**	**335**	**1,805**	**124**	**3,440**	**1,116**	**3,257**	**137**	**4,510**	**7,951**
Depreciation/amortization for the year	109	40	38	20	724	26	957	161	241	17	419	1,376
Reversal on deletion & disposal of assets (Also refer note 31)	(175)	(32)	(297)	(36)	(767)	(13)	(1,319)	-	(22)	-	(22)	(1,342)
Impairment Loss (Also refer note (i) below)	-	-	24	-	18	-	42	-	46	-	46	88
Exchange fluctuation	(3)	(0)	(2)	(1)	(28)	(1)	(34)	-	(9)	-	(9)	(44)
Balance as at 31 March 2017	**471**	**144**	**262**	**319**	**1,752**	**137**	**3,086**	**1,277**	**3,513**	**154**	**4,944**	**8,029**
Net block												
Balance as at 31 March 2016	144	154	135	24	1,088	109	1,652	1,957	986	35	2,978	4,630
Balance as at 31 March 2017	**51**	**114**	**78**	**18**	**1,058**	**82**	**1,400**	**1,796**	**707**	**18**	**2,520**	**3,921**

Summary of Significant Accounting Policies and other Explanatory Information

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

(i) As at 31 March 2017, the Holding 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 assets. Hence the Company has impaired the carrying value of such intangible assets amounting to ₹ 46 (Previous Year: ₹ 110) (Also refer note 29 (b) and 27). Also, one of the subsidiaries, Accel IT Resources Limited, 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 assets are to be impaired as management does not foresee any future economic benefits from these assets. The carrying value of such assets amounting to ₹ 42 have been charged off as impairment loss during the current year (Also refer note 27).

(ii) The gross block and net carrying amount of the assets acquired under finance lease as at:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Gross block	Net block	Gross block	Net block
Vehicles	37	21	92	51
Computers	74	28	74	41
Total	**111**	**49**	**166**	**92**

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
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 ₹ 10 each fully paid up		
Less : Provision for diminution in the value of investment	(30)	(30)
Total	-	-
Aggregate amount of unquoted investments	30	30
Aggregate provision for diminution in value of investments	(30)	(30)

14 Loans and advances *

	As at 31 March 2017		As at 31 March 2016	
	Long Term	Short Term	Long Term	Short Term
Unsecured, considered good (unless otherwise specified)				
Security deposits	359	40	428	39
Rental deposit	489	32	438	39
Prepaid expenses	270	2,598	309	1,884
Balances with government authorities				
Considered good	274	103	273	70
Considered doubtful	14	-	14	-
Advance income-tax (net of provision for tax)	4,148	-	3,229	-
MAT credit entitlement	67	-	67	-
Other loans and advances				
Considered good	17	232	29	164
Considered doubtful	13	31	6	31
	5,650	3,035	4,793	2,227
Less : Provisions for doubtful advances	(27)	(31)	(20)	(31)
Total	**5,623**	**3,004**	**4,773**	**2,196**

* No amount is due from officers of the group.

Summary of Significant Accounting Policies and other Explanatory Information

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

			As at March 31, 2017	As at March 31, 2016
15	**Other Non Current Assets**			
	Non-current bank balances (Also, refer note 18)		692	642
	Long-term trade receivables			
	Customer retention - Unsecured, considered good		47	93
	Total		**739**	**735**
16	**Inventories**			
	Raw materials (Valued at lower of cost or net realisable value)		248	178
	Stock-in-trade (includes goods-in-transit: ₹ 21 (As at 31 March 16: ₹ Nil)) (Valued at lower of cost or net realisable value))		589	838
	Stores and spares (includes goods-in-transit: ₹ 67 (As at 31 March 16: ₹ 47)) (Also, refer note 33)		3,462	3,822
	Less: Provision for inventory obsolescence		(478)	(1,191)
			3,821	**3,647**
17	**Trade receivables**			
	(Unsecured)			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Considered good		2,744	1,370
	Considered doubtful		1,002	234
			3,746	1,604
	Less : Provision for doubtful receivables (Also, refer note 30)		(1,002)	(234)
		(A)	**2,744**	**1,370**
	Other receivables			
	Considered good		13,899	13,899
	Considered doubtful		74	22
			13,973	**13,921**
	Less : Provision for doubtful receivables (Also, refer note 30)		(74)	(22)
		(B)	**13,899**	**13,899**
		Total (A+B)	**16,643**	**15,269**

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		7	17
	Cheques on hand		-	49
	Balances with banks in current accounts		4,698	3,350
		(A)	**4,705**	**3,416**
	Other bank balances			
	Unpaid dividend account		4	4
	Balances with banks held as margin money		912	798
		(B)	**916**	**802**
	Less : Amounts disclosed as other non -current assets (Also, refer note 15)	**(C)**	**692**	**642**
		Total (A+B-C)	**4,928**	**3,576**
19	**Other current assets**			
	(Unsecured, considered good)			
	Unbilled revenue		1,194	422
	Interest accrued on fixed deposit		-	49
	Others receivables		93	37
			1,287	**508**

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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, 2017	**As at March 31, 2016**
20	**Revenue from operations**		
	Sale of goods	25,496	21,282
	Sale of services	33,420	29,932
	Revenue from operations (Gross)	**58,916**	**51,214**
	Less : Excise duty	(43)	(109)
	Revenue from operations (Net)	**58,873**	**51,105**
	Details of products sold / services rendered		
	Manufactured goods		
	(i) Multifunction Kiosk	347	27
	(ii) Touch screen information Kiosk	1	550
	(iii) Others*	16	289
	Total	**364**	**866**
	Traded goods		
	(i) Servicers, desktops and Laptops	15,914	14,335
	(ii) Software	1,468	1,199
	(iii) Spares, accessories and network products	5,547	4,027
	(iv) Others*	2,203	855
	Total	**25,132**	**20,416**
	Services rendered		
	(i) Software services	8,788	8,170
	(ii) Annual maintenance contracts, facility management services and installation services	22,748	19,506
	(iii) Warranty management services	1,720	1,993
	(iv) Training	164	263
	Total	**33,420**	**29,932**

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

21	**Other income**		
	Interest income	45	86
	Other non-operating income	162	102
		207	**188**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		As at March 31, 2017	As at March 31, 2016
22	**Cost of raw material and components consumed**		
	Opening stock (Net of provision)	119	83
	Add: Purchases during the year	259	753
	Less: Closing stock (Net of provision)	189	119
		189	**717**
	Details of cost of raw material and components consumed		
	Opening stock (before provision for inventory)		
	(i) Monitors, CPU Assemblies, LCD display	60	6
	(ii) Printers	17	9
	(iii) Spares and accessories	41	68
	(iv) Others*	60	-
	Less: Provision for inventories	(59)	-
	Total	**119**	**83**
	Purchases		
	(i) Monitors, CPU Assemblies, LCD display	97	401
	(ii) Printers	58	50
	(iii) Spares and accessories	71	137
	(iv) Others*	33	165
	Total	**259**	**753**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD display	68	60
	(ii) Printers	48	17
	(iii) Spares and accessories	56	69
	(iv) Others*	76	32
	Less: Provision for inventories	(59)	(59)
	Total	**189**	**119**
	Consumption details		
	(i) Monitors, CPU Assemblies, LCD display	89	347
	(ii) Printers	27	42
	(iii) Spares and accessories	56	136
	(iv) Others*	17	133
	Add: Provision for inventories	-	59
	Total	**189**	**717**
	* Individually less than 10% of the consumption		
23	**Purchases of Stock-in-Trade & stores and spares**		
	(i) Servers, desktops and laptops	13,367	10,739
	(ii) Softwares	1,570	1,630
	(iii) Spares, accessories and network products	6,362	4,622
	(iv) Others*	3,998	2,879
		25,297	**19,870**

* Individually less than 10% of the total purchases

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		As at March 31, 2017	As at March 31, 2016
24	**Changes in inventories of stock-in-trade and stores and spares**		
	Stock-in-trade	589	838
	Stores and spares	3,462	3,823
	Less: Provision for obsolescence inventories	(419)	(1,132)
		3,633	**3,529**
	Opening stock:		
	Stock-in-trade	838	578
	Stores and spares	3,823	3,434
	Less: Provision for obsolescence inventories	(1,132)	-
		3,529	**4,012**
	Net (increase) / decrease in inventories	**(104)**	**483**
25	**Employee benefits expense**		
	Salaries and wages	15,463	12,913
	Gratuity expense (Also, refer note 8 (a))	177	279
	Contribution to provident and other defined contribution funds	825	502
	Staff welfare expenses	169	172
		16,634	**13,866**
26	**Finance costs**		
	Interest expenses	2,140	1,829
	Bank charges	361	254
		2,501	**2,083**
27	**Depreciation, amortization expense and impairment loss**		
	Depreciation of tangible assets (Also, refer note 12)	957	758
	Amortization of intangible assets (Also, refer note 12)	419	504
	Impairment of assets (Also, refer note 12)	88	-
		1,464	**1,262**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		Year ended March 31, 2017	Year ended March 31, 2016
28	**Other expenses**		
	Sub-contracting and outsourcing cost	6,890	6,438
	Printing and stationery	89	144
	Power and fuel	237	245
	Rent	1,256	1,297
	Repairs and maintenance		
	- Leased premises	285	252
	- Equipments	9	12
	- Others	101	119
	Insurance	164	153
	Rates and taxes	161	182
	Travelling and conveyance	1,037	1,090
	Communication expenses	388	396
	Freight and forwarding	408	411
	Legal and professional fees	1,174	835
	Directors' sitting fees	17	31
	Payments to auditors (Also, refer note 39)	83	52
	Loss on sale of fixed assets (net)	-	20
	Net Loss on foreign currency transactions and translations	39	287
	Provision for warranty	-	138
	Bad debts written off (Also refer note 30)	308	2,119
	Provision for doubtful receivables (Also refer note 30)	866	132
	Provision for doubtful advances	27	51
	Miscellaneous expenses	434	455
		13,973	**14,859**
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
	Prepaid expenses carried forward	-	(108)
	Rates and taxes	-	81
	Other expenses	-	65
	Total	**-**	**8,665**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
b) Exceptional items		
Provision for inventory	-	981
Impairment loss on 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 (Also, refer note 36)	134	75
Total	**134**	**2,800**

30 The management of the Holding Company has completed during the year ended 31 March 2017, the process initiated in the previous year for evaluating the existence and recoverability of receivables and the amounts which are identified as doubtful/not recoverable are properly dealt in the books of account.

31 The management of the Holding Company has completed the physical verification of fixed assets in relation to asset blocks – Computers, Plant and Machinery, Intangibles and Vehicles and the discrepancies identified are properly dealt in the books of account for the year ended 31 March 2017.

32 The Holding Company during the current year has performed 100% physical verification of its inventories and no material discrepancies were noted. The management has evaluated the reasons for the material discrepancies noted in the previous year and has implemented necessary controls in this regard.

33 During the financial year 2014-15, 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 previous year, the issue was addressed for transactions recorded in that financial year and the company is in the processing of replicating the same for opening inventory. Accordingly, valuation of the closing stock in so far as it relates to the quantity existing as at 01st April 2016 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 (a) The Group has incurred a loss after tax and minority interest of ₹ 2,394 lakhs for the year ended 31 March 2017 and the Net worth has been fully eroded as of 31 March 2017. The Group has adequate working capital facilities with various banks, which would enable the Group to meet its obligations and operate over the next 12 months and accordingly the financial results for the year ended 31 March 2017 have been prepared on a going concern basis. However, the Holding Company has made a cash profit of ₹ 650 lakhs during the current year ended 31 March 2017.

(b) The Holding Company has invested an amount of ₹ 790 and advanced loan (including interest) amounting to ₹ 422 to Accel IT Resources Limited (AITRL), a subsidiary company. AITRL has reported losses during the current year, its net worth is fully eroded as at 31 March 2017 and its current liabilities exceeds current assets by ₹ 394. However, the management of the subsidiary has acquired new customers and is also evaluating various opportunities which includes curtailment of expenses, restructuring of operations in order to optimise revenue generation by investing in technology, increasing customer base, etc. The management of the subsidiary and the management of the Holding company are confident that these plans would enable the subsidiary to improve its financial position and therefore believe that the dimunition in value is temporary in nature. Consequently, the Holding Company's management is confident of recovering the goodwill amounting to ₹ 414 lakhs recognised relating to this investment in the consolidated financial statements.

35 The promoters have entered into a settlement and release agreement dated 15th March 2017 as already disclosed to the stock exchanges on 16th March 2017.

36 In its subsidiary Accel Japan Kabushaki Kaishai (AJKK), certain revenue and advances were recorded in the books of account without adequate supporting documents, details and other relevant information. The impact of revenue and advances amounting to ₹ 134 identified thus far has been provided for/written off and disclosed as exceptional items, which in the opinion of the management, is adequate as on date.

Summary of Significant Accounting Policies and other Explanatory Information

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

37 Pursuant to the resolution dated 27 March 2017 in the extraordinary general meeting, the Company has resolved to sell, transfer or otherwise dispose-off the entire shareholding of its subsidiary Accel Systems & Technologies Pte. Limited, Singapore. On 26 May 2017, the Company had executed a share purchase agreement with StarHub Ltd., agreeing to sell the entire 51% (fifty one percent) stake of the company in Accel Systems & Technologies Pte. Ltd, Singapore, a subsidiary company, for a total consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only).

₹ in Lakhs

		Year ended March 31, 2017	Year ended March 31, 2016
38	**Earnings per equity share**		
	Nominal value of equity shares (in ₹)	10	10
	Loss attributable to equity shareholders (A)	(2,394)	(14,504)
	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 ₹)	**(8.04)**	**(48.73)**
	Dilutive effect on profit (C)	-	-
	Loss attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(2,394)	(14,504)
	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 ₹)	**(8.04)**	**(48.73)**
39	**Payments to auditors ***		
	As auditor		
	Statutory audit #	62	37
	Limited review	3	3
	Reimbursement of expenses	6	2
	Other services	12	10
		83	**52**

** Excluding service tax*

 # includes fees relating to 2015-16 - ₹ 25 Lakhs (Previous year - Nil)

40 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
Malcolm F. Mehta, Chairman and Executive Director	Key Management Personnel (KMP)
R Neelakantan, Chief financial officer	Key Management Personnel (KMP)
N.R.Panicker	Key Management Personnel (KMP) (till 31 March 2016)
S Sundaramurthy, Company Secretary	Key Management Personnel (KMP) (from 21 October 2016)
Shruthi Panicker	Relative of Key Management Personnel (till 31 March 2016)
Sreekumari Panicker	Relative of Key Management Personnel (till 31 March 2016)

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 2017						Year ended 31 March 2016					
	Sale of services	Interest expense	Remuneration*	Other expenses	Guarantee received	Reimbursements received	Sale of services	Interest expense	Remuneration*	Other expenses	Guarantee received	Reimbursements received
CAC Holding Corporation, Tokyo, Japan	-	293	-	-	18,500	225	-	294	-	7	-	217
CAC Corporation, Tokyo, Japan	505	-	-	53	-	204	326	-	-	-	-	177
Accel Limited, Chennai	-	150	-	88	-	-	-	150	-	87	-	-
Accel Transmatic Limited, Chennai	3	-	-	14	-	-	8	-	-	28	-	-
Accel Systems Group Inc, USA	-	2	-	-	-	-	-	2	-	-	-	-
N.R.Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	82	30	-	-
Malcolm F Mehta #	-	-	225	-	-	-	-	-	217	-	-	-
R.Neelakantan	-	-	48	-	-	-	-	-	36	-	-	-
S.Sundaramurthy (from 21 October 2016)	-	-	8	-	-	-	-	-	-	-	-	-
Shruthi Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	42	-	-	-
Sreekumari Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	-	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, 2017					As at 31 March, 2016				
	Advances/ Amount recoverable	Loans Payable	Trade receivables	Guarantee received	Payables	Advances/ Amount recoverable	Loans Payable	Trade receivables	Guarantee received	Payables
CAC Holding Corporation, Tokyo, Japan	12	5,338	-	26,797	55	22	5,892	-	8,327	62
CAC Corporation, Tokyo, Japan	1	-	127	-	33	14	-	15	-	-
Accel Limited, Chennai	69	1,366	-	-	74	69	1,366	-	-	29
Accel Transmatic Limited, Chennai	3	-	-	-	-	-	-	-	-	-
Accel Systems Group Inc, USA	-	4	-	-	-	-	5	-	-	-
N.R.Panicker (till 31 March 2016)	18	-	-	-	-	18	-	-	-	-
R Neelakantan	-	-	-	-	2	-	-	-	-	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 2017		Year ended 31 March 2016	
	Loans received	Advances / amount recoverable	Loans received	Advances / amount recoverable
CAC Holding Corporation, Tokyo, Japan	5,892	33	6,026	38
CAC Corporation, Tokyo, Japan	-	14	-	14
Accel Limited, Chennai	1,366	69	1,366	69
Accel Transmatic Limited, Chennai	-	3	-	-

41 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 is mainly engaged in the business of system integration (SI) solutions comprising supply, installation, commissioning of network design, hardware, software and related services, 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, 2017 **₹ In Lakhs**

Particulars	SI	IMS	SS	WMS	Training	Unallocated	Total
Revenue from operations							
External sales (net of excise duty)	31,883	16,320	8,786	1,720	164	-	58,873
Total revenue from operations	**31,883**	**16,320**	**8,786**	**1,720**	**164**	**-**	**58,873**
Results							
Segment result	1,823	1,884	(696)	(456)	(275)	-	2,281
Other non-operating income	-	-	-	-	-	162	162
Unallocated corporate expenses	-	-	-	-	-	861	861
Operating profit/(loss)	**1,823**	**1,884**	**(696)**	**(456)**	**(275)**	**(699)**	**1,582**
Interest and finance charges	-	-	-	-	-	2,501	2,501
Interest income	-	-	-	-	-	45	45
Profit/(loss) before tax and exceptional items	**1,823**	**1,884**	**(696)**	**(456)**	**(275)**	**(3,156)**	**(874)**
Exceptional items	-	-	-	-	-	134	134
Profit/(loss) before tax	**1,823**	**1,884**	**(696)**	**(456)**	**(275)**	**(3,290)**	**(1,008)**
Income Taxes	-	-	-	-	-	377	377
Profit/(loss) for the year	**1,823**	**1,884**	**(696)**	**(456)**	**(275)**	**(3,667)**	**(1,385)**
Other information							
Segment assets	18,882	10,040	4,112	1,145	127	-	34,306
Unallocated corporate assets	-	-	-	-	-	5,659	5,659
Total assets	**18,882**	**10,040**	**4,112**	**1,145**	**127**	**5,659**	**39,965**

Summary of Significant Accounting Policies and other Explanatory Information

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

Particulars	SI	IMS	SS	WMS	Training	Unallocated	Total
Segment liabilities	14,234	10,013	4,929	1,351	85	-	30,612
Unallocated corporate liabilities	-	-	-	-	-	11,401	11,401
Total liabilities	**14,234**	**10,013**	**4,929**	**1,351**	**85**	**11,401**	**42,013**
Capital expenditure	677	7	60	12	15	6	778
Depreciation and amortization expense	614	116	473	133	31	9	1,376
Impairment loss	-	-	46	-	42	-	88
Other non cash expenditure, net	432	497	443	49	15	10	1,446

Secondary segment

Particulars	India	Dubai	SEA	USA	Unallocated	Total
Segment revenue	34,807	8,161	11,933	3,972	-	58,873
Segment assets	24,833	3,580	9,003	1,453	1,097	39,965
Capital expenditure	141	2	635	-	-	778

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

Particulars	SI	IMS	SS	WMS	Training	Unallocated	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 excpetional 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**
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
Impairment expense	-	-	-	-	-	742	742
Other non cash expenditure, net	835	791	918	211	3	9,383	12,140

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	30,175	7,809	8,897	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

42 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2017 and 2016 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, 2017	As at March 31, 2016
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	100	49
(ii) Due later than one year and not later than five years	126	17
	226	**66**
Lease payments charged-off to the statement of profit and loss	1,256	1,297

43 During the year, the Holding Company and one of its subsidiary incorporated in India, had specified bank notes (SBN) or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30 March 2017 on the details of SBN held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are given below:-

a) Holding company

Particulars	SBNs*	Other denomination notes	Total
Closing cash on hand as at 08 November 2016			
(+) Permitted receipts	387,000	602,485	989,485
(-) Permitted payments	-	2,801,721	2,801,721
(-) Amount deposited in Banks	-	(1,703,134)	(1,703,134)
	(387,000)	(890,912)	(1,277,912)
Closing cash in hand as on 30 December 2016	**-**	**810,160**	**810,160**

b) Subsidiary incorporated in India

Particulars	SBNs*	Other denomination notes	Total
Closing cash on hand as at 08 November 2016			
(+) Permitted receipts	47,500	9,826	57,326
(-) Permitted payments	-	1,143,289	1,143,289
(-) Amount deposited in Banks	-	(2,230)	(2,230)
	(47,500)	(1,041,745)	(1,089,245)
Closing cash in hand as on 30 December 2016	**-**	**109,140**	**109,140**

*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.

44 Contingent liabilities

Sales tax	311	263
Service tax	26	24
Income tax	2,219	986
Customs duty	411	411
Provident fund	230	230
Others	212	219
Total	**3,409**	**2,133**

45 Commitments

The Group did not have any capital commitments as at the balance sheet date. 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 : 26 May 2017

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

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

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

S Sundaramurthy
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 DMCC**	**Accel North America Inc**	**Accel Technologies Ltd**	**Accel Japan KK**	**Network Programs 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 31.03.2017	As on 31.03.2017	As on 31.03.2017	As on 31.03.2017	As on 31.03.2017	As on 31.03.2017	As on 31.03.2017	As on 31.03.2017
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 31.03.2017 - 46.30	AED - Exchange Rate as on 31.03.2017 - 17.61	USD - Exchange Rate as on 31.03.2017 - 64.83	GBP- Exchange Rate as on 31.03.2017 - 80.87	JPY-Exchange Rate as on 31.03.2017- 0.57	USD - Exchange Rate as on 31.03.2017 - 64.83	USD - Exchange Rate as on 31.03.2017 - 64.83	INR
Share capital	1,065	53	425	16	61	32	97	300
Reserves & surplus	4,512	(260)	(1,202)	(143)	(335)	(376)	(25)	(680)
Total assets	8,517	3,580	1,688	3	486	304	108	129
Total Liabilities	3,028	3,772	2,454	128	743	647	36	509
Investments	-	-	-	-	-	-	-	-
Turnover	9,541	8,164	3,936	-	2,484	91	-	242
Profit before taxation	2,436	(435)	(343)	(28)	(249)	(17)	-	(267)
Provision for taxation	377	-	-	-	-	-	-	-
Profit after taxation	2,059	(435)	(343)	(28)	(249)	(17)	-	(267)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% 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
Chairman & Executive Director
(DIN No: 03277490)

R. Ramaraj
Director
(DIN No: 00090279)

R. Neelakantan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai
Date : 26 May 2017

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 2017, the Statement of Profit and Loss and 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, includingthe Accounting Standards prescribed 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 for safeguarding the assets of the Company and for 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 standalone 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 these 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 these standalone financial statements.

Basis for Qualified Opinion

8. As disclosed in note 33 to the standalone financial statements, the Company's inventory at maintenance divisions is carried at ₹ 3,594 lakhs as at 31 March 2017 (31 March 2016:₹ 3,823 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance 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 2017, changes in inventories of stock-in-trade and spares, and the consequent impact, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the previous year ended 31 March 2016 and the review reports for the quarters and periods ended 30 June 2016, 30 September 2016 and 31 December 2016 were also qualified in this regard.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph,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 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to note 34 to the standalone financial statements which indicates that the Company has incurred loss after tax of ₹ 2,082 lakhs during the year ended 31 March 2017 and, as of that date,the Company's negative reserves amounted to ₹ 7,413 lakhs resulting in complete erosion of the net worth of the Company. Further, as of that date, the Company's current liabilities exceeded its current assets by ₹ 8,822 lakhs. These conditions, along with matters as

set forth in note 34 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.

11. We draw attention to Note 35 to the standalone financial statements regarding the Company's long-term investments in its subsidiary and long-term loans and advances (including interest receivable) due from such subsidiary amounting to ₹ 790 lakhs and ₹ 422 lakhs respectively as at 31 March 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 31 March 2017. However, based on the subsidiary's future business plans, which have been developed using certain management assumptions and estimates, the decline in value of the aforesaid investment is considered as temporary in nature and the aforesaid long-term loans and advances (including interest receivable) are considered as fully recoverable. Accordingly, no provision of aforesaid amounts have been recognised in the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. 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 AnnexureA a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure A, as required by Section143(3) of the Act, we report that:

a. we have sought and except for the 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 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 report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report;

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

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

f. the matters described in paragraph 10 under the Emphasis of Matters and paragraph 9in Annexure B, in our opinion, may have an adverse effect on the functioning of the Company;

g. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section164(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 on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 May 2017 as per Annexure B expressed a qualified 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note 48 to the standalone financial statements, has disclosed the impact of pending litigations on its financialposition;

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

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The Company has provided disclosures in Note 47 to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts and deposits in bank are in accordance with the books of account maintained by the company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between specified bank notes and other denomination notes of 'permitted receipts', 'non-permitted receipts' and 'deposits in banks' as disclosed under such note.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No.: 206931

Place : Chennai
Date : 26 May 2017

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 2017

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 Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and material discrepancies were noticed on such verification. These have been properly dealt with in the books of account.

(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. No material discrepancies were noticed on the aforesaid verification.

(iii) (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(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, the Company has complied with the provisions of Section 185 of the Act in respect of loans, investments, guarantees and security. In our opinion, the company has complied with the provisions of Section 186 except Section 186 (5) of the Act relating to prior approval of public financial institutions for loans given to Accel IT Resources Limited amounting to ₹ 205 lakhs which is also the balance as at 31 March 2017.

(v) In our opinion, the Company has not accepted any deposits with in 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 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
Kerala Value Added Tax, 2003	Tax and interest	44	35	2007-2008	Commissioner of Commercial Taxes
Kerala Value Added Tax, 2003	Tax and interest	2	1	2009-10 and 2010-11	Assistant Commissioner (Appeals)
Kerala Value Added Tax, 2003	Tax , interest and penalty	197	21	2013-14 and 2014-15	High Court
Kerala Value Added Tax, 2003	Tax	1	-	2015-16	I.O Kochi
Kerala Value Added Tax, 2003	Tax and interest	4	1	2013-14	Deputy Commissioner (Appeals)
Uttar Pradesh Trade Tax Act, 1948	Tax and interest	1	-	2002-03	Trade Tax Tribunal
Jharkhand Value Added Tax Act, 2005	Penalty	1	-	2007-08	Commissioner of Commercial Taxes
Orissha Value Added Tax Act, 2004	Tax, interest and penalty	10	2	2011-12 and 2012-13	Joint Commissioner of Commercial Taxes
West Bengal Sales Tax Act , 1994	Tax, interest and penalty	3	-	2001-02, 2003-04 and 2004-05	Commercial Tax Officer
West Bengal Value Addeed Tax Act, 2003	Tax and interest	1	0	2010-11	West Bengal Commercial Tax Appellate &Revisional Board
Customs and Excise Act, 1964	Tax, interest and penalty	411	175	2014-15	CESTAT, Mumbai
Kerala Value Added Tax, 2003	Tax, interest and penalty	46	9	2011-12 & 2012-13	Commercial Tax Officer
Income Tax Act,1961	Tax and interest	819	-	2005-06 to 2009-10	Madras High court
Income Tax Act,1961	Tax and interest	78	-	2010-11	Income Tax Appellate Tribunal
Income Tax Act,1961	Tax and interest	1,322	-	2008-09 and 2011-12 to 2012-13	Commerece of Income Tax, Appeals
The Employees' Provident Fund And Miscellaneous Provisions Act, 1952	Damages and interest	46	-	1999-2010 and 2012-2013	Employees' Provident Fund Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no borrowings obtained from government and 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 any 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(a) and (b) to the financial statements. We have been explained that these amounts in the previous year were recognised in the books of account of the Company through override of internal financial controls by the erstwhile Executive Chairman in the earlier years. The management is taking necessary steps to conclude in this regard.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(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 the 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 : 26 May 2017

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 at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at 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 the 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 ofthe Company's business, including adherence to Company's policies, the safeguarding of its assets, theprevention 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 ("the 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 andthe Guidance Note require that we comply with ethical requirements and plan and perform theaudit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in allmaterial 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 amaterial 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 qualified 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 offinancial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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 inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31 March 2017:

The Company did not have appropriate internal controls over inventory with respect to issue for consumption, and valuation of inventory, which resulted or could have potentially resulted in material misstatement in the value of Company's inventory, purchase, changes in inventories of stores and spares 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 IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented ordetected on a timely basis.

Qualified Opinion

9. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the 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 weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2017, and the material weakness have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone 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 : 26 May 2017

Balance Sheet

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

in Lakhs

	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	(7,413)	(5,331)
		(4,437)	(2,355)
Non-current liabilities			
Long-term borrowings	6	5,342	5,436
Long-term provisions	8	689	798
		6,031	**6,234**
Current liabilities			
Short-term borrowings	9	18,406	13,823
Trade payables	10		
Dues to micro and small enterprises		-	-
Dues to Others		2,822	3,300
Other current liabilities	11	5,714	4,589
Short-term provisions	8	303	188
		27,245	21,900
Total		**28,839**	**25,779**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	556	863
Intangible assets	12	1,426	1,884
Non-current investments	13	2,227	2,227
Deferred tax asset, net	7	-	-
Long-term loans and advances	14	5,468	4,628
Other non current assets	15	739	734
		10,416	**10,336**
Current assets			
Inventories	16	3,821	3,646
Trade receivables	17	11,627	8,818
Cash and bank balances	18	245	954
Short-term loans and advances	14	1,956	1,517
Other current assets	19	774	508
		18,423	15,443
Total		**28,839**	**25,779**

Notes 1 to 49 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

per **Sumesh E S**
Partner

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

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

R. Ramaraj
Director
(DIN No : 00090279)

Place : Chennai
Date : 26 May 2017

R. Neelakantan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Statement of Profit and Loss

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

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
REVENUE			
Revenue from operations (Gross)	20	36,548	32,358
Less: Excise duty		(43)	(109)
Revenue from operations (Net)		36,505	32,249
Other income	21	152	98
Total Revenue		**36,657**	**32,347**
EXPENSES			
Cost of raw material and components consumed	22	189	717
Purchases of stock-in-trade and stores and spares	23	16,882	12,403
Changes in inventories of stock in trade and stores and spares	24	(105)	451
Employee benefits expense	25	9,234	8,589
Finance costs	26	2,353	1,957
Depreciation and amortization expense and impairment loss	27	890	846
Other expenses	28	9,296	11,079
Total Expenses		**38,739**	**36,042**
Loss before tax, prior period and exceptional items		**(2,082)**	**(3,695)**
Prior period items	29(a)	-	8,071
Loss before tax and exceptional items		**(2,082)**	**(11,766)**
Exceptional items	29(b)	-	1,932
Loss before tax		**(2,082)**	**(13,698)**
Tax expense			
Deferred tax		-	61
		-	**61**
Loss for the year		**(2,082)**	**(13,758)**
Earnings per equity share (Nominal value ₹ 10 per share)	37		
Basic (In ₹)		(7.00)	(46.23)
Diluted (In ₹)		(7.00)	(46.23)

Notes 1 to 49 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 : 26 May 2017

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

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

R. Ramaraj
Director
(DIN No : 00090279)

R. Neelakantan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Cash Flow Statement

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

in Lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(2,082)	(13,698)
Adjustments for:		
Depreciation, amortization expense and impairment loss	890	846
Interest expenses	2,353	1,957
Unrealized foreign exchange (gain) / loss	(33)	175
Provision for gratuity and compensated absences	59	267
(Profit) / Loss on sale of fixed assets (net)	(1)	12
Provision for warranty	-	138
Bad debts written off	248	1,662
Provision for doubtful debts	738	132
Provision for doubtful advances	27	51
Provision for related party loan	-	52
Related party loans written off	-	56
Interest & divedend income	(93)	(86)
Prior period and exceptional items	-	8,738
Operating profit before working capital changes	**2,106**	**302**
Adjustments for:		
(Decrease)/ increase in trade payables	(477)	121
Increase in other current liabilities	975	609
(Increase) in trade receivables	(3,802)	(41)
(Increase) in inventories	(175)	(564)
Decrease in long-term loans and advances	54	305
(Increase) in short-term loans and advances	(210)	(1,011)
(Increase)/decrease in other current assets	(315)	238
Decrease in provision for warranty	(52)	-
Cash generated from operations	**(1,896)**	**(41)**
Direct taxes (paid)/ refund , (net)	(921)	415
Net cash generated from/(used in) operating activities	**(2,817)**	**374**
B. Cash flow from investing activities		
Purchase of assets (including capital work in progress and capital advances)	(125)	(156)
Sale proceeds on disposal of assets	1	13
Interest received	93	37
Movement in bank deposits	(50)	48
Loans to related parties	(184)	108
Net cash (used in)/ generated from investing activities	**(265)**	**51**
C. Cash flow from financing activities		
Increase in short-term borrowings, net	4,583	1,117
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	(22)	(33)
Dividend transferred to Investor's Protection fund	-	(2)
Interest paid to banks and related parties	(2,188)	(1,937)
Net cash (used in)/ generated from financing activities	**2,373**	**(855)**
Net cash increase/(decrease) during the year	(709)	(430)
D. Cash and cash equivalents at the beginning	950	1,380
E. Cash and cash equivalents at the end	**241**	**950**
Cash and cash equivalents comprise of:		
Cash on hand	5	4
Cheques on hand	-	49
Balances with banks - in current accounts	236	897
Cash and cash equivalents as per note 18	**241**	**950**

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 : 26 May 2017

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

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

R. Ramaraj
Director
(DIN No : 00090279)

R. Neelakantan
Chief Financial Officer

S Sundaramurthy
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. The previous year figures have been audited by a firm other than Walker Chandiok & Co LLP.

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). Accounting policies have been consistently applied as in the previous year except for the change in accounting policy explained in note 12 (iii). The management evaluates all recently issued or revised accounting standards on an ongoing continuous 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 impact of pending 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 Revised 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

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 incurred for of tangible assets not ready for its the intended use before such date the balance sheet 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 charnged 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. , except for the certain computers and its peripherals the useful life of which is estimated by the management based on specific internal and external technical evaluation. 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

Summary of significant accounting policies and other explanatory information

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 company uses a rebuttable presumption that the useful economic 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 economic life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful economic 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 long-term 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.

(h) Inventories

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

Summary of significant accounting policies and other explanatory information

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 thatand, 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 that are; 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 and material basis or on a fixed price basis. IT Services provided on a time and 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 milestones as specified in the contracts. 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.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability

Summary of significant accounting policies and other explanatory information

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.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company's contribution towards the Provident Fund is charged to the statement of profit and loss. The interest rate payable to the members of the Trust formed by the company for managing the provident fund shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the short fall, if any, shall be made good by the Company.

The Company also provides for retirement benefits in the form of gratuity as per the provisions of "The Payment of Gratuity Act, 1972", which is a defined benefit plan. The Company provides the gratuity benefit through annual contribution to a fund. Liabilities related to the gratuity plan are determined by actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains or losses are recognised immediately in the statement of profit and loss.

Provision for compensated absence is made by the Company based on the unavailed leave standing to the credit of employees as at the balance sheet date in accordance with the service rules of the Company. Liabilities related to the compensated absence are determined by actuarial valuation carried out as at the balance sheet date. Actuarial gain or loss recognised immediately in the statement of profit and loss.

(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

Summary of significant accounting policies and other explanatory information

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 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 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 2017 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, 2017		As at March 31, 2016	
		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 were no movements in the share capital during the current and the previous year.				
	b) Shares held by the 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, Holding Company	17,857,125	60.00%	17,857,125	60.00%
	Accel Limited, Promoter Company	4,281,194	14.38%	4,281,194	14.38%

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) 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 2017.

₹ in Lakhs

		As at March 31, 2017	As at March 31, 2016
5	**Reserves and surplus**		
	Securities premium reserve	**6,857**	**6,857**
	General reserve	**859**	**859**
	(Deficit) / Surplus in the statement of profit and loss		
	Balance at the beginning of the year	(13,047)	712
	Add : Transferred from statement of profit and loss	(2,082)	(13,759)
	Balance at the end of the year	**(15,129)**	**(13,047)**
		(7,413)	**(5,331)**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
6 Long-term borrowings		
Secured		
From banks		
Finance lease obligations (Also, refer note (a) below)	39	61
From others		
Loan against keyman insurance policy (Also, refer note (b) below)	141	129
	180	**190**
Less: Classified as other current liabilities		
Current maturities of long-term borrowings (Also, refer note 11)	(18)	(22)
	162	**168**
Unsecured		
From others		
Loans and advances from related parties (Also, refer note (c) below)	5,180	5,268
	5,342	**5,436**

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 from date of loan and carry interest rate between 5% to 9% per annum . Also, refer note 12(ii).

The details of lease commitments in terms of Minimum lease payments (MLP) and Present value of MLP are as follows:

	As at March 31, 2017		As at March 31, 2016	
Payments falling due:	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Payable not later than 1 year	20	18	27	22
Payable later than one year but not later than 5 years	24	21	44	39
Total	44	39	71	61
Less Amounts representing interest	(5)	-	(10)	-
	39	39	61	61

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 ₹ 3,814 (As at 31 March 2016: 3,902) 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, promoter company amounting to ₹ 1,366 (As at 31 March 2016: ₹ 1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also, refer note 38(c).

	As at March 31, 2017	As at March 31, 2016
7. Deferred tax asset (net)*		
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	308	220
	308	**220**
Less: Deferred tax asset arising on account of :		
Provision for employee benefits	(365)	(324)
Provision for doubtful receivables	(293)	(79)
Provision for diminution in value of investments	(74)	(74)
Unabsorbed depreciation and business loss	(3,481)	(1,353)
	3,905	**1,610**
Net deferred tax asset*	-	-

Summary of Significant Accounting Policies and other Explanatory Information

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

	As at March 31, 2017	As at March 31, 2016
*** Movement during the year**		
Opening balance	-	61
Recognized in the statement of profit and loss	-	(61)
Recognized in reserves and surplus	-	-
Closing balance	-	-

*The Company 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 March 31, 2017		As at March 31, 2016	
	Long term	Short term	Long term	Short term
8 Provisions				
Provisions for employee benefits				
Gratuity (Also refer note a(i) below)	578	193	628	74
Compensated absences (Also refer note a(ii) below)	87	44	110	31
Provision for warranty (Also, refer note (b) below)	24	66	60	83
	689	**303**	**798**	**188**

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	737	563
Current service cost	110	86
Interest cost	57	45
Actuarial (gain)/ loss	(42)	140
Benefits paid	(85)	(97)
Projected benefit obligation at the end of the year	**778**	**737**
Change in plan assets		
Fair value of plan assets at the beginning of the year	35	96
Expected return on plan assets	3	8
Employer contributions	53	6
Benefits paid	(85)	(97)
Other adjustments	-	14
Actuarial gain on plan assets	1	8
Fair value of plan assets at the end of the year	**7**	**35**
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	778	737
Fair value of plan assets at the end of the year	7	35
Liability recognized in the balance sheet	**771**	**702**
Thereof		
Unfunded	771	702

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	110	86
Interest cost	57	45
Expected returns on plan assets	(3)	(8)
Recognized net actuarial (gain)/loss	(42)	132
Net gratuity costs recognized in the income statement (also refer note : 25)	**122**	**255**
Principal actuarial assumptions used:		
Discount rate	6.60%	7.80%
Long-term rate of compensation increase	8.00%	7.50%
Expected rate of return on plan assets	7.50%	8.00%
Average remaining life (in years)	25	25
Attrition rate	12% - 34%	5%-20%

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 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Net (liability) recognized in balance sheet					
Present value of defined benefit obligation	(778)	(737)	(563)	(341)	(106)
Fair value of plan assets	7	35	96	164	-
Deficit in the plan	(771)	(702)	(467)	(177)	(106)

(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	6.60%	7.80%
Long-term rate of compensation increase	8.00%	7.50%
Average remaining life	25	25
Attrition rate	12% - 34%	5%-20%
b) Provision for warranty		
Balance at the beginning of the year	143	5
Created during the year, net	-	183
Utilised/reversed during the year	(53)	(45)
Balance at the end of the year	90	143

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	4,500
- Short term loan	1,250	-
- Cash credit	5,974	2,215
- Letter of credit	6,682	3,228
Unsecured:		
- Working capital demand loan	-	3,880
	18,406	**13,823**

Summary of Significant Accounting Policies and other Explanatory Information

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

(a) Details of guarantee		
Guaranteed by holding company		
From banks		
- Working capital demand loan	4,500	4,500
- Short term loan	1,250	-
- Cash credit	5,957	393
- Letter of credit	6,090	1,069
Guaranteed by promoter and promoter company		
From banks		
- Cash credit	17	1,223
- Letter of credit	-	330

(b) Details of security

The Company has availed a working capital demand loan worth ₹ 4,500 (as at 31 March 2016: ₹ 4,500) valid till 31 March 2017 from Sumitomo Mitsui Banking Corporation at an interest rate of 9.85% (31 March 2016: 10.90%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

During the year, the Company has also availed a short term loan facility ₹ 1,250 (as at 31 March 2016: Nil)from Mizuho Bank Ltd at an interest rate of 9% (based on market conditions and Marginal cost of funds based lending rate (MCLR)) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

Cash credits represents:

(i) The Company has availed a cash credit facility worth ₹ 5,669 (as at 31 March 2016: 3,880) from Mizuho Bank Limited at an interest rate of 11% which has been secured (during the year) by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

(ii) The Company has availed a cash credit facility outstanding worth from Sumitomo Mitsui Banking Corporation worth ₹ 288 (as at 31 March 2016: ₹ 393) at an interest rate of 12.60% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

Cash credits guaranteed by promoter and promoter company represents:

i) Cash credit availed from SBI bank worth ₹ 2 (as at 31 March 2016: ₹ 595) at an interest rate of 16.30% 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 charge on certain properties owned by promoter company.

ii) Cash credit availed from IDBI worth ₹ 15 (as at 31 March 2016: ₹ 29) at an interest rate of 14% which is secured by first pari passu charge on all the current assets and moveable fixed assets of the Company, including book debts and inventories and irrecovocable and unconditional personal guarantee of the promoter.

The Company has also availed cash credits from Axis bank worth ₹ Nil (as at 31 March 2016: ₹ 599)at an interest rate of 12.50% 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 Corporate Guarantee provided by CAC Holdings Corporation, Japan or hypothecation of goods purchased under the letter of credit.

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
10 Trade payables		
Dues to micro and small enterprises*	-	-
Dues to others (Also, refer note 39(c))	2,822	3,300
	2,822	3,300

* 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 (Also, refer note 6)		
Finance lease obligations	18	22
Unearned revenue	2,285	2,107
Unpaid dividends	4	4
Statutory dues	284	220
Employee related payables	1,106	902
Interest accrued but not due (Also, refer note 38(c))	262	110
Other accrued liabilities	1,755	1,225
	5,714	**4,590**

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	Computer Software	Copy rights/ Technical Know how	Total of intangible assets (B)	Grand Total (A+B)
Gross block												
Balance as at 01 April 2015	605	333	331	316	2,623	237	4,445	1,609	3,779	172	5,560	10,005
Additions	-	-	2	9	191	1	203	-	87	-	87	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**	**3,282**	**1,609**	**3,810**	**172**	**5,591**	**8,873**
Additions	4	-	3	10	101	-	118	-	7	-	7	125
Deletions (Also, refer note 31)	(175)	(32)	(144)	(28)	(424)	-	(803)	-	-	-	-	(803)
Disposals	-	-	-	-	-	(13)	(13)	-	-	-	-	(13)
Balance as at 31 March 2017	**434**	**217**	**192**	**307**	**1,269**	**165**	**2,584**	**1,609**	**3,817**	**172**	**5,598**	**8,182**
Accumulated depreciation/amortization												
Balance as at 01 April 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	446	845
Reversal on deletions (Also, refer note 29 and 31)	-	(3)	-	-	(193)	-	(196)	-	(4)	-	(4)	(200)
Reversal on disposal of assets	-	-	-	-	-	(33)	(33)	-	-	-	-	(33)
Impairment loss (Also refer note (i) 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**	**3,707**	**6,126**
Depreciation/amortization for the year	81	40	17	19	247	21	425	161	241	17	419	844
Reversal on deletions (Also, refer note 31)	(175)	(32)	(144)	(28)	(424)	-	(803)	-	-	-	-	(803)
Reversal on disposal of assets	-	-	-	-	-	(13)	(13)	-	-	-	-	(13)
Impairment loss (Also refer note (i))									46		46	46
Balance as at 31 March 2017	**407**	**116**	**132**	**294**	**962**	**117**	**2,028**	**906**	**3,112**	**154**	**4,172**	**6,200**
Net block												
Balance as at 31 March 2016	**104**	**141**	**74**	**22**	**453**	**69**	**863**	**864**	**985**	**35**	**1,884**	**2,747**
Balance as at 31 March 2017	**27**	**101**	**60**	**13**	**307**	**48**	**556**	**703**	**705**	**18**	**1,426**	**1,982**

Summary of Significant Accounting Policies and other Explanatory Information

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

(i) As at 31 March 2017, 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 assets. Hence the Company has impaired the carrying value of such intangible assets amounting to ₹ 46 (Previous Year: ₹ 110) (Also refer note 29 (b) and 27).

(ii) The gross block and net carrying amount of the assets acquired under finance lease as at:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Gross block	Net block	Gross block	Net block
Vehicles	37	21	92	51
Computers	74	28	74	41
Total	**111**	**49**	**166**	**92**

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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, 2017	As at March 31, 2016
13 Non-current investments			
(a) Trade investments (Valued at cost unless stated otherwise)			
Investments in equity instruments - Unquoted			
Investments in subsidiaries			
Accel Systems & Technologies Pte Limited, Singapore		**775**	**775**
(Also, refer note 13 (b) below)			
(11,730,000 (Previous year - 11,730,000) shares of SGD 0.10 each fully paid)			
Accel Frontline DMCC, Dubai		120	120
(300 (Previous year-300) share of AED 1,000 fully paid up)			
Accel Japan Kabushiki Kaisha, Japan		118	118
(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)			
Network Programs (Japan), Inc., USA		224	224
(1500 (Previous year: 1500) shares without par value fully paid)			
Network Programs (USA) Inc., USA		51	51
(1000 (Previous year: 1000) shares of $ 1 each fully paid)			
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 (Also, refer note 35)		790	790
(3,000,000 (Previous year : 3,000,000) shares of ₹ 10 each fully paid up)			
Accel Technologies Ltd, UK		17	17
(19,500 (Previous year : 19,500) equity shares of GBP.1/- each fully paid up)		**2,468**	**2,468**
Less: Provision for diminution in the value of investment		(241)	(241)
	(A)	**2,227**	**2,227**
Other companies			
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)
	(B)	-	-
	Total (A+B)	2,227	2,227
Aggregate amount of unquoted investments		2,498	2,498
Aggregate provision for diminution in value of investments		(271)	(271)
Extent of Investment in subsidiaries			
Accel Systems & Technologies Pte Limited, Singapore		51%	51%
Accel Frontline DMCC, Dubai		100%	100%
Accel Japan Kabushiki Kaisha, 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 (Also, refer note 35)		100%	100%
Accel Technologies Ltd, UK		100%	100%

(b) 'Pursuant to the resolution dated 27 March 2017 in the extraordinary general meeting, the Company has resolved to sell, transfer or otherwise dispose-off the entire shareholding of its subsidiary Accel Systems & Technologies Pte. Limited, Singapore for a consideration arrived on the basis of an independent valuer appointed by the Company. On 26 May 2017, the Company had executed a share purchase agreement with StarHub Ltd., agreeing to sell the entire 51% (fifty one percent) stake of the company in Accel Systems & Technologies Pte. Ltd, Singapore, a subsidiary company, for a total consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only).

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		As at March 31, 2017		As at March 31, 2016	
		Long term	Short term	Long term	Short term
14	**Loans and advances***				
	Unsecured, considered good (unless otherwise specified)				
	Security deposits	301	-	372	-
	Rental deposit	470	-	437	-
	Prepaid expenses	210	1,090	250	976
	Balances with government authorities				
	Considered good	274	103	273	70
	Considered doubtful	14	-	14	-
	Loan to related parties #				
	Considered good	-	579	-	352
	Considered doubtful	-	54	-	52
	Advance income-tax (net of provision for tax)	4,131	-	3,210	-
	MAT credit entitlement	67	-	67	-
	Other loans and advances				
	Considered good	15	184	19	119
	Considered doubtful	13	31	6	31
		5,495	2,041	4,648	1,600
	Less Provisions for doubtful advances	(27)	(85)	(20)	(83)
	Total	**5,468**	**1,956**	**4,628**	**1,517**

* 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 an interest rate of 11% p.a. Also refer note 39(c)

		As at March 31, 2017	As at March 31, 2016
15	**Other non current assets**		
	Non-current bank balances (Also, refer note 18)	692	642
	Long-term trade receivables		
	Customer retention - Unsecured, considered good	47	92
		739	**734**
16	**Inventories**		
	Raw materials (Valued at lower of cost or net realisable value)	248	178
	Stock-in-trade (includes goods-in-transit: ₹ 21		
	(As at 31 March 16: ₹ Nil))(Valued at lower of cost or net realisable value)	589	836
	Stores and spares (includes goods-in-transit: ₹ 67		
	(As at 31 March 16: ₹ 47))(Also, refer note 33)	3,462	3,823
	Less : Provision for inventory obsolescence	(478)	(1,191)
		3,821	**3,646**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

			As at March 31, 2017	As at March 31, 2016
17	**Trade receivables**			
	(Unsecured)			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Considered good		1,692	1,003
	Considered doubtful		874	234
			2,566	**1,237**
	Less :Provision for doubtful receivables (Also, refer note 30)		(874)	(234)
		(A)	**1,692**	**1,003**
	Other receivables			
	Considered good		9,935	7,815
	Considered Doubtful		74	22
			10,009	**7,837**
	Less :Provision for doubtful receivables (Also, refer note 30)		(74)	(22)
		(B)	**9,935**	**7,815**
		Total (A+B)	**11,627**	**8,818**
18	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		5	4
	Cheques on hand		-	49
	Balances with banks in current accounts		236	897
		(A)	**241**	**950**
	Other bank balances			
	Unpaid dividend account		4	4
	Balances with bank held as margin money		692	642
		(B)	**696**	**646**
	Less : Amounts disclosed as other non-current assets (Also, refer note 15)	**(C)**	**(692)**	**(642)**
		Total (A+B-C)	**245**	**954**
19	**Other current assets**			
	Unbilled revenue		681	422
	Interest accrued on fixed deposits		-	49
	Other receivables		93	37
			774	**508**

Summary of Significant Accounting Policies and other Explanatory Information

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

		₹ in Lakhs	
		Year ended March 31, 2017	**Year ended March 31, 2016**
20	**Revenue from operations**		
	Sale of goods	17,144	13,351
	Sale of services	19,404	19,007
	Revenue from operations (Gross)	**36,548**	**32,358**
	Less : Excise duty	(43)	(109)
	Revenue from operations (Net)	**36,505**	**32,249**
	Details of products sold/services rendered		
	Manufactured goods		
	(i) Multifunction Kiosk	347	27
	(ii) Touch screen information Kiosk	1	550
	(iii) Others*	16	289
	Total	**364**	**866**
	Traded goods		
	(i)Servers, desktops and Laptops	10,621	8,956
	(ii) Software	1,468	1,199
	(iii) Spares, accessories and network products	2,488	1,475
	(iv) Others*	2,203	855
	Total	**16,780**	**12,485**
	Services rendered		
	(i) Software services	4,231	4,942
	(ii) Annual Maintenance Contract and Facility Management Services	13,453	12,072
	(iii) Warranty management services	1,720	1,993
	Total	**19,404**	**19,007**

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

21	**Other income**		
	Interest income	93	86
	Other non-operating income	59	12
		152	**98**

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ in Lakhs

		Year ended March 31, 2017	Year ended March 31, 2016
22	**Cost of raw material and components consumed**		
	Opening stock (Net of provision)	119	83
	Add : Purchases during the year	259	753
	Less: Closing stock (Net of provision)	189	119
		189	**717**
	Details of cost of raw material and components consumed		
	Opening stock (before provision for inventory)		
	(i) Monitors, CPU Assemblies, LCD display	60	6
	(ii) Printers	17	9
	(iii) Spares and accessories	41	68
	(iv) Others*	60	-
	Total	**178**	**83**
	Raw material purchases		
	(i) Monitors, CPU Assemblies, LCD display	97	401
	(ii) Printers	58	50
	(iii) Spares and accessories	71	137
	(iv) Others*	33	164
	Total	**259**	**752**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD display	68	60
	(ii) Printers	48	17
	(iii) Spares and accessories	56	41
	(iv) Others*	76	60
	Total	**248**	**178**
	Consumption details		
	(i) Monitors, CPU Assemblies, LCD display	89	347
	(ii) Printers	27	42
	(iii) Spares and accessories	56	136
	(iv) Others*	17	133
	Add: Provision for inventories	-	59
	Total	**189**	**717**

* Individually less than 10% of the total consumption.

		Year ended March 31, 2017	Year ended March 31, 2016
23	**Purchases of stock-in-trade & stores and spares**		
	(i) Servers, desktops and laptops	8,843	6,365
	(ii) Softwares	1,570	1,630
	(iii) Spares, accessories and network products	2,471	1,497
	(iv) Others*	3,998	2,911
		16,882	**12,403**

* Individually less than 10% of the total purchases

		Year ended March 31, 2017	Year ended March 31, 2016
24	**Changes in inventories of stock-in-trade and stores and spares**		
	Closing stock:		
	Stock-in-trade	589	836
	Stores and spares	3,462	3,823
	Less: Provision for inventory obsolescence	(419)	(1,132)
		3,632	**3,527**

Summary of Significant Accounting Policies and other Explanatory Information

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

		₹ in Lakhs	
		Year ended March 31, 2017	**Year ended March 31, 2016**
	Opening stock:		
	Stock-in-trade	836	544
	Stores and spares	3,823	3,434
	Less: Provision for inventory obsolescence	(1,132)	
		3,527	**3,978**
	Net (increase)/ decrease in inventories	**(105)**	**451**
25	**Employee benefits expense**		
	Salaries and wages	8,421	7,721
	Gratuity expense (Also, refer note 8 (a))	122	255
	Contribution to provident and other defined contribution funds	555	471
	Staff welfare expenses	136	142
		9,234	**8,589**
26	**Finance costs**		
	Interest expenses	2,092	1,739
	Bank charges	261	218
		2,353	**1,957**
27	**Depreciation, amortization expense and impairment loss**		
	Depreciation of tangible assets (Also, refer note 12)	425	399
	Amortization of intangible assets (Also, refer note 12)	419	447
	Impairment loss of intangible assets (Also, refer note 12)	46	-
		890	**846**

Summary of Significant Accounting Policies and other Explanatory Information

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

		₹ in Lakhs	
		Year ended March 31, 2017	**Year ended March 31, 2016**
28	**Other expenses**		
	Sub-contracting and outsourcing cost	4,229	4,527
	Printing and stationery	81	101
	Power and fuel	218	229
	Rent	850	915
	Repairs and maintenance		-
	Leased premises	251	243
	Equipments	9	12
	Others	76	107
	Insurance	94	75
	Rates and taxes	114	165
	Travelling and conveyance	724	842
	Communication expenses	320	348
	Freight and forwarding	366	377
	Legal and professional fees	610	458
	Directors' sitting fees	17	31
	Payments to auditors (Also, refer note 38)	83	52
	Loss on sale of fixed assets (net)	-	12
	Net loss on foreign currency transactions and translations	-	272
	Provision for warranty	-	138
	Bad debts written off (Also, refer note 30)	248	1,662
	Provision for doubtful receivables (Also, refer note 30)	738	132
	Provision for doubtful advances	27	51
	Provision for related party loan	-	52
	Related party loans written off	-	56
	Miscellaneous expenses	241	222
		9,296	**11,079**
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
	Total	**-**	**8,071**
b)	**Exceptional items**		
	Provision for inventory	-	980
	Purchase of stock in trade	-	291
	Provision for investments	-	241
	Impairment loss on intangible assets	-	110
	Bad debts written-off	-	154
	Tangible assets written-off	-	81
	Advances written-off	-	75
	Total	**-**	**1,932**

Summary of Significant Accounting Policies and other Explanatory Information

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

30 The management has during the year ended 31 March 2017, completed the process initiated in the previous year for evaluating the existence and recoverability of receivables and the amounts which are identified as doubtful/not recoverable are properly dealt in the books of account.

31 The management of the Company has completed the physical verification of fixed assets in relation to asset blocks – Computers, Plant and Machinery, Intangibles and Vehicles and the discrepancies identified are properly dealt in the books of account for the year ended 31 March 2017.

32 The company during the current year has performed 100% physical verification of its inventories and no material discrepancies were noted. The management has evaluated the reasons for the material discrepancies noted in the previous year and has implemented controls in this regard.

33 During the financial year 2014-15, 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 been 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 The Company has incurred a loss after tax of ₹ 2,082 for the current year and the Net worth has been fully eroded as of 31 March 2017. However, the Company has made a cash profit of ₹ 650 during the current year ended 31 March 2017. The Company has adequate working capital facilities with various banks, which would enable the company to meet its obligations and operate over the next 12 months and accordingly the financial results for the year ended 31 March 2017 have been prepared on a going concern basis.

35 The Company has invested an amount of ₹ 790 in subsidiary named Accel IT Resources Limited (AITRL) and advanced loan (including interest) amounting to ₹ 422. AITRL has reported losses during the current year, its net worth is fully eroded as at 31 March 2017 and its current liabilities exceeds current assets by ₹ 394. However, the management of the subsidiary has acquired new customers and is also evaluating various opportunities which includes curtailment of expenses, restructuring of operations in order to optimise revenue generation by investing in technology, increasing customer base. The management of the subsidiary and the management of the company is confident that these plans would enable the subsidiary to improve its financial position thereby enabling the recovery of investments made, loans given and accordingly no provision needs to be made for these investments and loans given.

36 The promoters have entered into a settlement and release agreement dated 15th March 2017 as already disclosed to the stock exchanges on 16th March 2017.

Summary of Significant Accounting Policies and other Explanatory Information

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

		₹ in Lakhs
	Year ended March 31, 2017	Year ended March 31, 2016
37 Earnings per equity share		
Nominal value of equity shares (in ₹)	10.00	10.00
Loss attributable to equity shareholders (A)	(2,082)	(13,758)
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 ₹)	**(7.00)**	**(46.23)**
Dilutive effect on profit (C)	-	-
Loss attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(2,082)	(13,758)
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 ₹)	**(7.00)**	**(46.23)**
38 Payment to auditors *		
As auditor		
Statutory audit #	62	37
Limited review	3	3
Reimbursement of expenses	6	2
Other services	12	10
	83	**52**

*** excluding service tax**

\# includes fees relating to 2015-16 - ₹ 25 Lakhs (Previous year - Nil)

39 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	Subsidiary
Accel Japan Kabushiki Kaisha, 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 Limited, Chennai	Subsidiary of promoter company
Malcolm F. Mehta, Chairman and Executive Director	Key Management Personnel (KMP)
R Neelakantan, Chief Financial Officer	Key Management Personnel (KMP)
S Sundaramurthy, Company Secretary	Key Management Personnel (KMP) (from 21 October 2016)
N. R. Panicker	Key Management Personnel (KMP) (till 31 March 2016)
Sreekumari Panicker	Relative of Key Management Personnel (KMP) (till 31 March 2016)
Shruthi Panicker	Relative of Key Management Personnel (KMP) (till 31 March 2016)

Summary of significant accounting policies and other explanatory information

b) Transactions with related parties

₹ in Lakhs

	Year ended 31 March 2017							Year ended 31 March 2016					
Name of the related party	Sale of services	Interest expense	Remuneration*	Other expense	Internet income	Guarantee received	Reimbursements received	Sale of services	Interest expense	Remuneration*	Other expense	Guarantee received	Reimbursements received
CAC Holding Corporation, Tokyo, Japan	-	223	-	-	-	18,500	225	-	206	-	-	-	217
CAC Corporation, Tokyo, Japan	-	-	-	-	-	-	204	-	-	-	-	-	177
Accel Limited, Chennai	-	150	-	88	-	-	-	-	150	-	87	-	-
Accel Frontline DMCC, Dubai	-	-	-	-	16	-	-	-	-	-	-	-	-
Network Programs (USA) Inc., USA	80	-	-	-	-	-	-	228	-	-	-	-	-
Accel North America Inc., USA	1,819	-	-	-	-	-	-	2,152	-	-	-	-	-
Accel IT Resources Limited, Chennai	-	-	-	38	33	-	-	1	-	-	44	-	-
Accel Transmatic Limited, Chennai	3	-	-	14	-	-	-	8	-	-	28	-	-
Accel Technologies Ltd, UK	-	-	-	-	5	-	-	-	-	-	-	-	-
N.R.Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	-	82	30	-	-
Malcolm F. Mehta #	-	-	225	-	-	-	-	-	-	217	-	-	-
R Neelakantan	-	-	48	-	-	-	-	-	-	36	-	-	-
S Sundaramurthy (from 21 October 2016)	-	-	8	-	-	-	-	-	-	-	-	-	-
Shruthi Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	-	2	-	-	-
Sreekumari Panicker (till 31 March 2016)	-	-	-	-	-	-	-	-	-	-	9	-	-

* Includes cost of 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, Tokyo Japan

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	Unbilled revenue	Guar-antee received	Payables	Advances/ Amount recov-erable	Loans Payable	Trade receivables	Guar-antee received	Payables
CAC Holding Corporation, Tokyo, Japan	12	3,814	-	-	25,500	37	22	3,902	-	7,000	38
CAC Corporation, Tokyo, Japan	1	-	-	-	-	-	14	-	-	-	-
Accel Limited, Chennai	69	1,366	-	-	-	74	69	1,366	-	-	29
Accel Frontline DMCC, Dubai,	156	-	-	-	-	-	158	-	-	-	-
Network Programs (USA) Inc., USA	-	-	112	-	-	-	8	-	145	-	-
Accel North America Inc., USA	-	-	1,073	140	-	-	-	-	260	-	-
Accel IT Resources Limited, Chennai	422	-	-	-	-	2	218	-	1	-	5
Accel Technologies Ltd, UK	54	-	-	-	-	-	52	-	-	-	-
Accel Transmatic Limited, Chennai	3	-	-	-	-	-	-	-	-	-	-
N.R.Panicker (till 31 March 2016)	18	-	-	-	-	-	18	-	-	-	-
R Neelakantan	-	-	-	-	-	2	-	-	-	-	1
S Sundaramurthy (from 21 October 2016)	-	-	-	-	-	1	-	-	-	-	-

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

	Year ended 31 March 2017		Year ended 31 March 2016	
Name of the related party	Loans received	Advances / Amounts recoverable	Loans received	Advances / Amounts recoverable
CAC Holding Corporation, Tokyo, Japan	4,031	33	4,036	38
CAC Corporation, Tokyo, Japan	-	14	-	14
Accel Limited, Chennai	1,366	69	1,366	69
Accel Frontline DMCC, Dubai	-	158	-	204
Network Programs (USA) Inc., USA	-	8	-	13
Accel IT Resources Limited, Chennai	-	422	-	203
Accel Technologies Ltd, UK	-	54	-	52
Accel Japan Kabushiki Kaisha, Japan	-	-	-	2
Accel Transmatic Limited, Chennai	-	3	-	-

Summary of Significant Accounting Policies and other Explanatory Information

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

40 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 SGD	In AED	In AUD	In Rupee equivalent
a) Trade receivables including retention net of advances	24	0	-	-	0	-	1,568
(Previous year)	16	-	-	-	-	-	1,078
b) Loans and advances	2	1	-	-	-	-	209
(Previous year)	2	1	-	-	1	-	218
c) Trade Payable	1	-	-	-	-	-	35
(Previous year)	-	-	-	-	-	-	-
d) Loans Payable	59	-	-	-	-	-	3,814
(Previous year)	59	-	-	-	-	-	3,902
e) Interest payable	1	-	-	-	-	-	37
(Previous year)	1	-	-	-	-	-	38

*Amounts below the rounding off norm adopted by the company is shown as '0'

41 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 maintenance of software applications.

Year ended 31 March 2017

₹ In Lakhs

Particulars	SI	IMS	SS	WMS	Others	Total
Revenue from operations						
External sales (Net of excise duty)	17,101	13,453	4,231	1,720		36,505
Total revenue from operations	**17,101**	**13,453**	**4,231**	**1,720**	**-**	**36,505**
Results						
Segment result	158	1,530	(301)	(456)	-	931
Other non-operating income	-	-	-	-	59	59
Unallocated corporate expenses	-	-	-	-	812	812
Operating profit/(loss)	**158**	**1,530**	**(301)**	**(456)**	**(753)**	**178**
Interest and finance charges	-	-	-	-	2,353	2,353
Interest income	-	-	-	-	93	93
Profit/(loss) before tax, prior period items and exceptional items	**158**	**1,530**	**(301)**	**(456)**	**(3,013)**	**(2,082)**
Prior period items	-	-	-	-	-	-
Profit/(loss) before tax and exceptional items	**158**	**1,530**	**(301)**	**(456)**	**(3,013)**	**(2,082)**
Exceptional items	-	-	-	-	-	-
Profit/(loss) before tax	**158**	**1,530**	**(301)**	**(456)**	**(3,013)**	**(2,082)**
Income Taxes	-	-	-	-	-	-
Profit/(loss) after tax	**158**	**1,530**	**(301)**	**(456)**	**(3,013)**	**(2,082)**

Summary of Significant Accounting Policies and other Explanatory Information

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

Other information						
Segment assets	7,895	8,930	3,499	1,145	-	21,469
Unallocated corporate assets	-	-	-	-	7,370	7,370
Total assets	**7,895**	**8,930**	**3,499**	**1,145**	**7,370**	**28,839**
Segment liabilities	8,814	8,798	2,911	1,351	-	21,874
Unallocated corporate liabilities	-	-	-	-	11,402	11,402
Total liabilities	**8,814**	**8,798**	**2,911**	**1,351**	**11,402**	**33,276**
Capital expenditure	40	7	60	12	6	125
Depreciation and amortisation	113	116	473	133	10	845
Impairment loss	-	-	46	-	-	46
Other non cash expenditure, net	382	497	133	49	10	1,071

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
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 income	-	-	-	-	86	86
Profit/(loss) before tax, prior period items and exceptional 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
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 amortisation	74	62	346	133	230	845
Impairment expense	-	-	-	-	110	110
Other non cash expenditure, net	706	791	489	211	8,976	11,173

Summary of Significant Accounting Policies and other Explanatory Information

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

₹ In Lakhs

		Year ended March 31, 2017	Year ended March 31, 2016
42	**Earnings in foreign currency (accrual basis)**		
	Export of goods on FOB basis	315	1,259
	Export of services	3,040	4,289
		3,355	**5,548**
43	**Expenditure in foreign currency (accrual basis)**		
	Interest	223	206
	Purchase of stock in trade	618	1,801
	Travelling and conveyance	86	215
	Subcontracting expenses	60	-
		987	**2,222**
44	**Value of imports on CIF basis**		
	Components	341	603
		341	**603**

45 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, 2017		31st March, 2016	
	In USD Lakhs	In INR Lakhs	In USD Lakhs	In INR Lakhs
Turnover	5	315	19	1,259
Net profit after tax	(0)	(8)	(1)	(33)
Sundry debtors	1	95	3	200
Sundry creditors	1	53	12	786
Income tax- provision*	-	(4)	(0)	(0)

*Amounts below the rounding off norm adapted by the Company is shown as '0'

46 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2017 and 2016 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, 2017	As at March 31, 2016
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	100	49
(ii) Due later than one year and not later than five years	126	17
	226	**66**
Lease payments charged off to the statement of profit and loss	850	915

Summary of Significant Accounting Policies and other Explanatory Information

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

47 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBN) or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30 March 2017 on the details of SBN held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are given below:-

Particulars	SBNs*	Other denomination notes	Total
Closing cash on hand as at 08 November 2016	387,000	602,485	989,485
(+) Permitted receipts	-	2,801,721	2,801,721
(-) Permitted payments	-	(1,703,134)	(1,703,134)
(-) Amount deposited in Banks	(387,000)	(890,912)	(1,277,912)
Closing cash in hand as on 30 December 2016	-	810,160	810,160

*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.

	As at March 31, 2017	As at March 31, 2016
48 Contingent Liabilities		
Sales tax	311	263
Income tax	2,219	1,220
Corporate guarantee	3,555	3,690
Customs duty	411	411
Provident fund	46	46
Others	212	219
	6,754	**5,849**

49 Commitments

The Company did not have any capital commitments as at the balance sheet date (Previous year: Nil). 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 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
Chairman & Executive Director
(DIN: 03277490)

R. Ramaraj
Director
(DIN: 00090279)

R. Neelakantan
Chief Financial Officer

S. Sundaramurthy
Company Secretary

Place : Chennai
Date : 26 May 2017

NOTES

NOTES

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

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: sundaramurthy.s@accelfrontline.com, Website: www.accelfrontline.com

ATTENDANCE SLIP

22ND ANNUAL GENERAL MEETING ON FRIDAY, 15TH DAY OF SEPTEMBER, 2017.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Name and Address of the Registered Member	
Folio No. / DP ID. / Client ID.	
No. of Shares	

I/We hereby record my/our presence at the 22nd Annual General Meeting (AGM) of the Company on Friday, 15th September, 2017 at 02.30 P.M. at “THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 014” or any adjournment thereof.

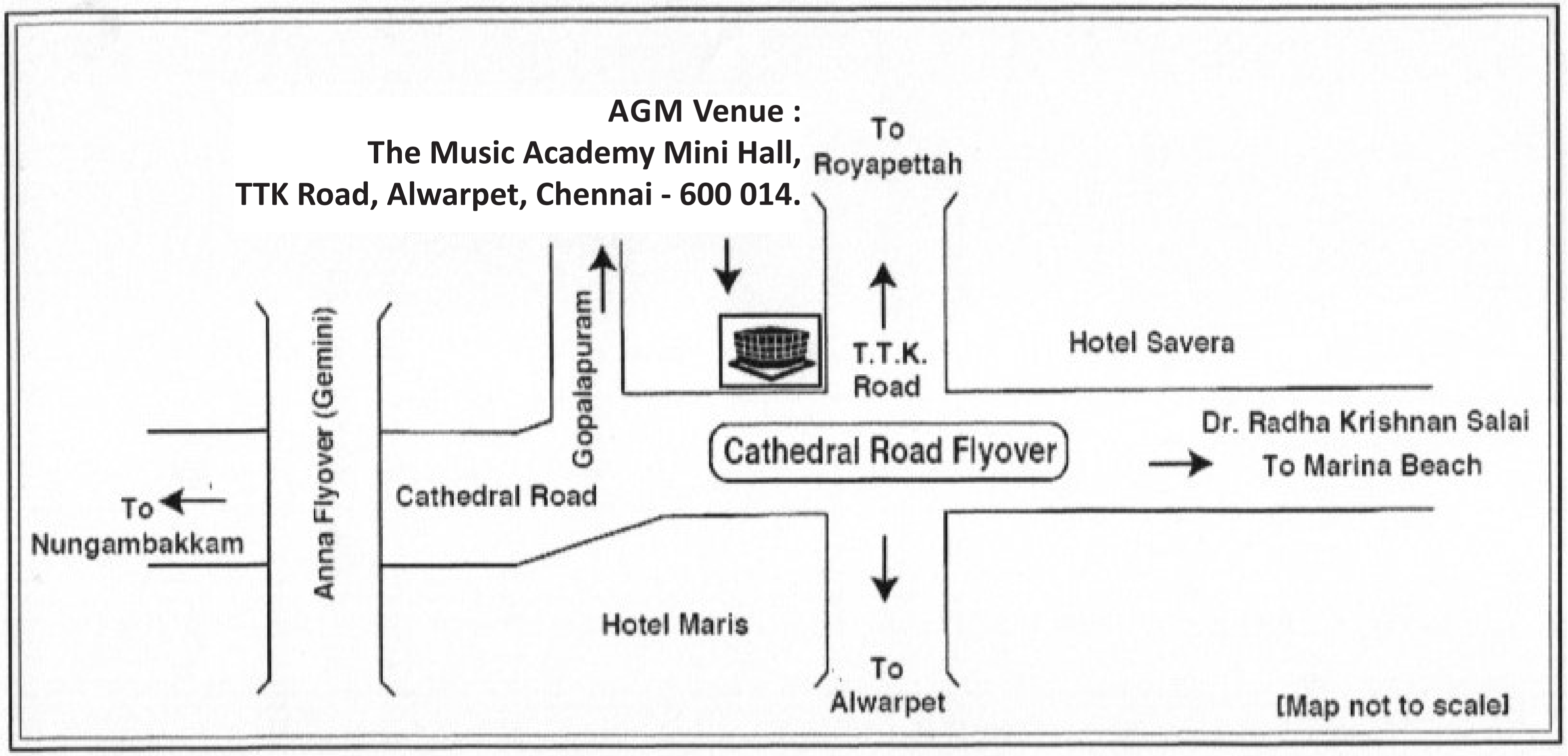
____

[Signature of Shareholders/Proxy(s) Joint member attending the meeting]

EVEN (Electronic Voting EVENT Number)	**USER ID**	**PASSWORD**
106842		

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 Friday, 15th September, 2017 at 02.30 P.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: sundaramurthy.s@accelfrontline.com, Website: www.accelfrontline.com

22ND ANNUAL GENERAL MEETING ON FRIDAY, 15TH DAY OF SEPTEMBER, 2017.

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. / DP ID. / Client ID.	

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 22nd Annual General Meeting (AGM) of the Company on Friday, 15th day of September, 2017 at 02.30 P.M. at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 014" 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.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2017, the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Malcolm F. Mehta, (DIN: 03277490) who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Reappointment of Statutory Auditors.		
Special Business			
4.	Reappointment of Whole Time Director Mr. Malcolm F. Mehta (DIN: 03277490) to be designated as the Chairman and Chief Executive Officer of the Company.		
5.	Appointment of Mr. Rajesh R. Muni (DIN: 00193527) as an Independent Director.		

Signed this ____________ day of __________________ 2017

Signature of Member(s): ....

Signature of Proxy holder(s): ....

Affix ₹1 Revenue Stamp

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.