

**AFL/SN/SE/040/2015-2016**  
**27<sup>th</sup> January, 2016**

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

The Bombay Stock Exchange Ltd  
P.J. Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

Sub: Unaudited Financial Results for the quarter ended 31.12.2015 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors at their meeting held on 27<sup>th</sup> January, 2016 have taken on record the following decisions:

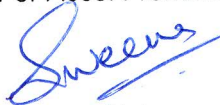
- Considered and Approved Standalone and Consolidated un audited financial results for the quarter ended 31.12.2015 on the recommendation of the Audit Committee.
- A Copy of the Limited Review report from the Auditors.

The meeting commenced at 02:00 P.M. and concluded at 10:00 P.M.

Please arrange to take the same on record.

Thanking you

Yours faithfully,  
For Accel Frontline Limited



Sweena Nair  
Company Secretary

Statement of Unaudited results for the Third Quarter and Nine Months ended 31 December 2015

SI No	Particulars	CONSOLIDATED <input type="checkbox"/> in Lakhs						STANDALONE <input type="checkbox"/> in Lakhs							
		3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date figures for current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015	3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date figures for current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015		
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
1	<b>Income from Operations</b>														
	(a) Net Sales/ income from operations (Net of excise duty)	13,487	11,366	11,541	33,806	33,321	48,587	8,991	8,273	7,997	22,787	24,186	34,017		
	(b) Other operating income	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total income from Operations (net) (a)+(b)</b>	<b>13,487</b>	<b>11,366</b>	<b>11,541</b>	<b>33,806</b>	<b>33,321</b>	<b>48,587</b>	<b>8,991</b>	<b>8,273</b>	<b>7,997</b>	<b>22,787</b>	<b>24,186</b>	<b>34,017</b>		
2	<b>Expenses</b>														
	(a) Cost of raw materials consumed	3	784	42	791	113	126	3	784	42	791	113	126		
	(b) Purchase of stock-in-trade	6,082	3,972	5,180	13,923	13,610	18,057	4,311	2,748	3,465	9,178	9,483	13,643		
	(c) Changes in inventories of finished goods and stock-in-trade	(135)	(170)	59	(596)	153	15	(153)	(170)	59	(622)	153	6		
	(d) Employee benefits expense	3,447	3,485	2,899	10,116	8,463	11,669	2,152	2,237	1,914	6,416	5,750	7,773		
	(e) Depreciation and amortisation expense	457	307	325	1,060	870	1,203	270	266	290	792	758	1,050		
	(f) Sub-contracting and outsourcing cost	1,524	1,429	973	4,119	3,659	7,334	1,224	1,294	968	3,659	3,257	3,942		
	(g) Provision for bad and doubtful debts	1,047	570	124	1,836	197	585	1,047	570	124	1,836	197	585		
	(h) Other expenses	1,533	1,716	1,248	4,568	3,921	5,882	1,196	1,384	997	3,628	3,061	4,559		
	<b>Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	<b>13,958</b>	<b>12,093</b>	<b>10,850</b>	<b>35,817</b>	<b>30,986</b>	<b>44,871</b>	<b>10,050</b>	<b>9,113</b>	<b>7,859</b>	<b>25,678</b>	<b>22,772</b>	<b>31,684</b>		
3	<b>(Loss)/ Profit from operations before other income, finance costs and prior period items and tax (1-2)</b>	<b>(471)</b>	<b>(727)</b>	<b>691</b>	<b>(2,011)</b>	<b>2,335</b>	<b>3,716</b>	<b>(1,059)</b>	<b>(840)</b>	<b>138</b>	<b>(2,891)</b>	<b>1,414</b>	<b>2,333</b>		
4	Other income	4	14	37	52	93	148	4	14	29	52	52	193		
5	<b>(Loss)/ Profit from ordinary activities before finance costs and prior period items and tax (3 + 4)</b>	<b>(467)</b>	<b>(713)</b>	<b>728</b>	<b>(1,959)</b>	<b>2,428</b>	<b>3,864</b>	<b>(1,055)</b>	<b>(826)</b>	<b>167</b>	<b>(2,839)</b>	<b>1,466</b>	<b>2,526</b>		
6	Finance costs	529	494	607	1,532	1,677	2,255	502	467	564	1,448	1,576	2,128		
7	<b>(Loss)/ Profit from ordinary activities before prior period items and tax (5- 6)</b>	<b>(996)</b>	<b>(1,207)</b>	<b>121</b>	<b>(3,491)</b>	<b>751</b>	<b>1,609</b>	<b>(1,557)</b>	<b>(1,293)</b>	<b>(397)</b>	<b>(4,287)</b>	<b>(110)</b>	<b>398</b>		
8	Prior period items	(566)	-	-	(566)	-	(1,505)	(566)	-	-	(566)	-	(1,505)		
9	<b>(Loss)/ Profit from ordinary activities before tax (7+8)</b>	<b>(1,562)</b>	<b>(1,207)</b>	<b>121</b>	<b>(4,057)</b>	<b>751</b>	<b>104</b>	<b>(2,123)</b>	<b>(1,293)</b>	<b>(397)</b>	<b>(4,853)</b>	<b>(110)</b>	<b>(1,107)</b>		
10	Tax expense (net of deferred tax)	101	66	132	197	202	(216)	-	-	91	(488)	123	(361)		
11	<b>Net (Loss)/ Profit after taxes but before minority interest (9-10)</b>	<b>(1,663)</b>	<b>(1,273)</b>	<b>(11)</b>	<b>(4,254)</b>	<b>549</b>	<b>330</b>	<b>(2,123)</b>	<b>(1,293)</b>	<b>(488)</b>	<b>(4,853)</b>	<b>(233)</b>	<b>(746)</b>		
12	Minority interest	(225)	(148)	(90)	(446)	(177)	(414)	-	-	-	-	-	-		
13	<b>Net (Loss)/ Profit for the period (11+12)</b>	<b>(1,888)</b>	<b>(1,421)</b>	<b>(101)</b>	<b>(4,700)</b>	<b>372</b>	<b>(94)</b>	<b>(2,123)</b>	<b>(1,293)</b>	<b>(488)</b>	<b>(4,853)</b>	<b>(233)</b>	<b>(746)</b>		
14	Paid-up equity share capital	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976		
15	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year					9,119							8,428		
16	<b>i. Earnings Per Share (EPS)</b>														
	(a) Basic	(6.34)	(4.77)	(0.34)	(15.79)	1.25	(0.32)	(7.13)	(4.34)	(1.64)	(16.31)	(0.78)	(2.51)		
	(b) Diluted	(6.34)	(4.77)	(0.34)	(15.79)	1.25	(0.32)	(7.13)	(4.34)	(1.64)	(16.31)	(0.78)	(2.51)		

FOR ACCCEL FRONTLINE LIMITED

*[Signature]*

Malcolm F Mehta  
 Executive Director



Select Information for the Third Quarter and Nine Months Ended 31 December 2015

PART II		3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date figures for current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015
A	PARTICULARS OF SHAREHOLDING						
		1					
	Public shareholding						
	- Number of shares	7,440,469	7,440,469	3,267,922	7,440,469	3,267,922	7,352,895
	- Percentage of shareholding	25.00%	25.00%	10.98%	25.00%	10.98%	24.71%
	2 Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	b) Non - encumbered						
	- Number of shares	22,321,404	22,321,404	26,493,951	22,321,404	26,493,951	22,408,978
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	75.00%	75.00%	89.02%	75.00%	89.02%	75.29%

**B INVESTOR COMPLAINTS**

The Company did not receive any investor complaints during the quarter and period ended 31 December 2015. Opening - 0, Received - 0, Disposed off - 0 and Closing - 0

**Notes:**

- The above results were reviewed by the Audit Committee and approved and taken on record by the Board at its meeting held on 27 January 2016 and a review of the same has been carried out by the statutory auditors of the Company.
- The consolidated financial results comprises the financial results of the Company and its subsidiaries.
- During the previous year, the Company had recognized revenue of ₹ 397 lakhs with a cost of ₹ 368 lakhs for shipments made during the year whereas the shipment was received by the customer and acknowledgement obtained after 31 March 2015. This is a subject matter of qualification in the limited review report for the quarter and nine months ended 31 December 2015, quarter and six months ended 30 September 2015 and audit report for the year ended 31 March 2015.
- Consequent to a change in the software for recording of inventory transactions pertaining to the IMS division, the Company has valued its inventory pertaining to this division on the basis of a method that approximates weighted average cost. The Company is in the process of customizing its software to meet the requirements of Accounting Standard 2 - Valuation of Inventories. This is a subject matter of qualification in the limited review report for the quarter and nine months ended 31 December 2015, quarter and six months ended 30 September 2015, quarter ended 30 June 2015 and audit report for the year ended 31 March 2015.
- The Company has commenced a comprehensive process including confirmations and reconciliation of individual debtor balances to facilitate better debtors management including ascertaining the collection period, cases that require further management action and also identify instances of non-recoverability. The management expects to complete this process in the next few months. The Company, pending completion of such process, have provided for certain debtors aggregating to ₹ 1,047 lakhs and ₹ 1,836 lakhs during the quarter and nine months period ended 31 December 2015 respectively which has been evaluated by management to be doubtful of recovery. This is a subject matter of qualification in the limited review report for the quarter and nine months ended 31 December 2015.
- Prior period expenses represent certain purchases that pertain to the previous periods that has been accounted for during the current quarter.
- The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

FOR ACCEL FRONTLINE LIMITED

  
 Malcolm F Mehta  
 Executive Director

Segment-wise Revenue, Result and Capital Employed

Particulars	CONSOLIDATED										STANDALONE									
	In Lakhs					In Lakhs					In Lakhs					In Lakhs				
	3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015	3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015	3 Months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Corresponding 3 months ended 31 December 2014 in the previous year	Year to date current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015		
<b>1. Segment Revenue</b>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
Systems Integration	7,808	5,926	6,909	18,064	18,009	27,212	4,217	3,646	4,014	9,456	10,735	15,075	4,014	3,646	4,014	9,456	10,735	15,075		
Infrastructure Management Services	3,034	2,619	1,853	7,895	7,182	10,775	3,034	2,619	1,853	7,895	7,182	10,775	3,034	2,619	1,853	7,895	7,182	10,775		
Software Services	2,091	2,152	2,010	6,010	5,850	7,618	1,242	1,426	1,440	3,819	4,260	5,502	1,440	1,426	1,440	3,819	4,260	5,502		
Warranty Management Services	498	582	690	1,617	2,009	2,665	498	582	690	1,617	2,009	2,665	498	582	690	1,617	2,009	2,665		
Training	56	87	79	220	271	317	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Net Sales / Income from Operations</b>	<b>13,487</b>	<b>11,366</b>	<b>11,541</b>	<b>33,806</b>	<b>33,321</b>	<b>48,587</b>	<b>8,991</b>	<b>8,273</b>	<b>7,997</b>	<b>22,787</b>	<b>24,186</b>	<b>34,017</b>	<b>8,273</b>	<b>8,273</b>	<b>7,997</b>	<b>22,787</b>	<b>24,186</b>	<b>34,017</b>		
<b>2. Segment result</b>																				
Systems Integration	237	109	861	348	1,513	2,030	(549)	21	358	(726)	549	539	358	21	358	(726)	549	539		
Infrastructure Management Services	(387)	(540)	(74)	(1,344)	1,088	780	(387)	(540)	(74)	(1,344)	1,088	780	(74)	(540)	(74)	(1,344)	1,088	780		
Software Services	(290)	196	256	(154)	625	439	(144)	178	211	1	675	530	178	178	211	1	675	530		
Warranty Management Services	(129)	(79)	(67)	(293)	(128)	(221)	(129)	(79)	(67)	(293)	(128)	(221)	(67)	(79)	(67)	(293)	(128)	(221)		
Training	(32)	7	3	(18)	9	(42)	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>(601)</b>	<b>(307)</b>	<b>979</b>	<b>(1,461)</b>	<b>3,107</b>	<b>2,986</b>	<b>(1,209)</b>	<b>(420)</b>	<b>428</b>	<b>(2,362)</b>	<b>2,184</b>	<b>1,628</b>	<b>(420)</b>	<b>(420)</b>	<b>428</b>	<b>(2,362)</b>	<b>2,184</b>	<b>1,628</b>		
Less : (i) Finance costs	518	494	607	1,521	1,677	2,255	416	420	564	1,447	1,576	2,128	416	420	564	1,447	1,576	2,128		
Less : (ii) Other unallocable expenses	449	420	288	1,129	772	775	5	14	29	1,096	770	800	5	14	29	1,096	770	800		
Add : Unallocable income	4	14	37	52	93	148	5	14	29	53	52	193	5	14	29	53	52	193		
<b>Total (Loss)/Profit Before Tax</b>	<b>(1,562)</b>	<b>(1,207)</b>	<b>121</b>	<b>(4,057)</b>	<b>751</b>	<b>104</b>	<b>(2,123)</b>	<b>(1,293)</b>	<b>(397)</b>	<b>(4,853)</b>	<b>(110)</b>	<b>(1,107)</b>	<b>(1,293)</b>	<b>(1,293)</b>	<b>(397)</b>	<b>(4,853)</b>	<b>(110)</b>	<b>(1,107)</b>		
<b>3.Capital Employed (Segment assets - Segment Liabilities)</b>																				
Systems Integration	4,150	4,600	5,663	4,150	5,663	4,779	2,774	2,226	3,644	2,774	3,644	2,932	2,774	2,226	3,644	2,774	3,644	2,932		
Infrastructure Management Services	1,938	2,262	3,353	1,938	3,353	3,885	893	2,262	3,353	893	3,353	3,885	893	2,262	3,353	893	3,353	3,885		
Software Services	1,109	1,615	1,636	1,109	1,636	1,716	1,339	2,798	2,628	1,339	2,628	2,841	1,339	2,798	2,628	1,339	2,628	2,841		
Warranty Management Services	568	632	844	568	844	841	388	632	844	388	844	841	388	632	844	388	844	841		
Training	(887)	(854)	(838)	(887)	(838)	(869)	-	-	-	-	-	-	-	-	-	-	-	-		
Unallocated	1,912	2,220	2,835	1,912	2,835	2,643	1,158	755	1,450	1,158	1,450	905	1,158	755	1,450	1,158	1,450	905		
<b>Total Capital Employed</b>	<b>8,790</b>	<b>10,475</b>	<b>13,493</b>	<b>8,790</b>	<b>13,493</b>	<b>12,995</b>	<b>6,552</b>	<b>8,673</b>	<b>11,919</b>	<b>6,552</b>	<b>11,919</b>	<b>11,404</b>	<b>6,552</b>	<b>8,673</b>	<b>11,919</b>	<b>6,552</b>	<b>11,919</b>	<b>11,404</b>		

FOR ACCEL FRONTLINE LIMITED

*M. Mehta*  
Malcolm F Mehta  
Executive Director

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
Arihant Nitco Park, 6th Floor  
No. 90, Dr. Radhakrishnan Salai  
Mylapore, Chennai 600004  
India

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

## Review Report

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Accel Frontline Limited ("the Company"), its subsidiaries, (collectively referred to as "the Group") for the quarter ended 31 December 2015 and the year to date results for the period 01 April 2015 to 31 December 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As disclosed in note 3 to the statement, revenues aggregating to ₹ 397 lakhs pertaining to the quarter ended 30 June 2015 and included in the nine months period ended 31 December 2015 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 - 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the nine months period ended 31 December 2015 would have been higher by ₹ 397 lakhs, ₹ 368 lakhs, ₹ 29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade and net loss from ordinary activities after tax for the year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs respectively and net loss for the period after tax would have been higher by ₹ 29 lakhs. Our review report on the financial results for quarter and six months period ended 30 September 2015, quarter ended 30 June 2015 and audit report for the year ended 31 March 2015 were also qualified in respect of the aforesaid this matter.





4. Further, as disclosed in note 4 to the Statement, the Company's inventory comprise of certain items carried at ₹ 3,588 lakhs as at 31 December 2015 (30 September 2015: ₹ 3,504 lakhs, 31 March 2015: ₹ 3,044 lakhs), wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with Company's accounting policy and requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records and in the absence of sufficient appropriate information we are unable to comment on the impact, of the aforesaid matter on the changes in inventory of finished goods and stock-in-trade, prior period items and net loss after tax for the quarter and nine months period ended 31 December 2015. Our review report on the financial results for quarter and six months period ended 30 September 2015, quarter ended 30 June 2015 and audit report for the year ended 31 March 2015 were also qualified in respect of the aforesaid this matter.
5. Further, as detailed in note 5 to the statement, the Company's trade receivables as at 31 December 2015 aggregates to ₹ 21,794 lakhs, in respect of which the Company has made a provision for bad and doubtful debts amounting to ₹ 1,047 lakhs and ₹ 1,836 lakhs for the quarter and nine months period ended 31 December 2015, respectively. The Company also commenced a comprehensive process including confirmations and reconciliation of individual debtor balances to identify any further instances of non-recoverability, which is currently in progress. Pending completion of such process and in absence of complete information, we are unable to comment upon the adequacy of the above provisioning for such receivables and the consequential impact, if any, on the financial results for the quarter and nine months period ended 31 December 2015.
6. Based on our review conducted as above and upon consideration of reports of other auditors, except for the effects of qualifications as described in the paragraphs 3, 4 and 5, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) as per the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial results of 8 subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of ₹ 5,070 lakhs, net profit after tax and prior period items (after eliminating intra-group transactions) of ₹ 460 lakhs for the quarter ended 31 December 2015. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our opinion in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.



# Walker Chandiok & Co LLP

8. The review of unaudited consolidated financial results for the three months period ended 30 June 2014 included in the year to date 01 April 2014 to 31 December 2014 results was carried out and reported by K. S. Aiyar & Co vide their vide unqualified review report dated 13 August 2014.

*Walker Chandiok & Co LLP*

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

*Sumesh E S*

per Sumesh E S  
Partner  
Membership No. 206931



**Place:** Chennai  
**Date:** 27 January 2016

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
Arihant Nitco Park, 6th Floor  
No. 90, Dr. Radhakrishnan Salai  
Mylapore, Chennai 600004  
India

## Review Report

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

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

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Accel Frontline Limited ("the Company") for the quarter ended 31 December 2015 and the year to date results for the period 1 April 2015 to 31 December 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As disclosed in note 3 to the Statement, revenues aggregating to ₹ 397 lakhs pertaining to the quarter ended 30 June 2015 and included in the nine months period ended 31 December 2015 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 - 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the nine months period ended 31 December 2015 would have been higher by ₹ 397 lakhs, ₹ 368 lakhs, ₹ 29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs respectively and net loss for the period after tax would have been higher by ₹ 29 lakhs. Our review report on the financial results for quarter and six months period ended 30 September 2015, quarter ended 30 June 2015 and audit report for the year ended 31 March 2015 were also qualified in respect of the aforesaid this matter.
4. Further, as disclosed in note 4 to the Statement, the Company's inventory comprise of certain items carried at ₹ 3,588 lakhs as at 31 December 2015 (30 September 2015: ₹ 3,504 lakhs, 31 March 2015: ₹ 3,044 lakhs), wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with Company's accounting policy and requirements of Accounting standard (AS) 2 - Valuation of Inventories. Owing to the nature of the Company's records and in the absence of sufficient appropriate information we are unable to comment on the impact, of the aforesaid matter on the changes in inventory of finished goods and stock-in-trade, prior period items and net loss after tax for the quarter and nine months period ended 31 December 2015. Our review report on the financial results for quarter and six months period ended 30 September 2015, quarter ended 30 June 2015 and audit report for the year ended 31 March 2015 were also qualified in respect of the aforesaid this matter.





# Walker Chandiook & Co LLP

5. Further, as detailed in note 5 to the statement, the Company's trade receivables as at 31 December 2015 aggregates to ₹ 15,591 lakhs, in respect of which the Company has made a provision for bad and doubtful debts amounting to ₹ 1,047 lakhs and ₹ 1,836 lakhs for the quarter and nine months period ended 31 December 2015, respectively. The Company also commenced a comprehensive process including confirmations and reconciliation of individual debtor balances to identify any further instances of non-recoverability, which is currently in progress. Pending completion of such process and in absence of complete information, we are unable to comment upon the adequacy of the above provisioning for such receivables and the consequential impact, if any, on the financial results for the quarter and nine months period ended 31 December 2015.
6. Based on our review conducted as above, except for the effects of qualifications as described in the paragraphs 3, 4 and 5, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) as per the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The review of unaudited financial results for the three months period ended 30 June 2014 included in the year to date 01 April 2014 to 31 December 2014 results was carried out and reported by K.S.Aiyar & Co vide their unqualified review report dated 13 August 2014.

*Walker Chandiook & Co LLP*

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



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

Place: Chennai  
Date: 27 January 2016