

AFL/MFM/SE/02/2016-2017
01st August 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: Outcome of Board Meeting

We are pleased to inform you that the Board of Directors at its meeting held on 01st August 2016 have taken the following decisions.

- **Audited Financial Results for the year ended 31st March 2016.**
 - Considered and Approved Standalone and Consolidated Audited Financial Results along with Statement of Assets & Liabilities as at 31st March 2016 on the recommendation of the Audit Committee.
 - Considered and Approved the Audit Report.
 - Considered the Statement on Impact of Audit Qualifications for the financial year ended March 31, 2016. (Annexure I in terms of Regulation 33/ 52 of the SEBI Listing and Other Disclosure Requirements, Regulations, 2015, pursuant to the Amendment Regulations, 2016).
- **Un-Audited Financial Results for the quarter ended 30th June 2016.**
 - Considered and taken on record the Un-audited financial results of the Company for the quarter ended 30th June 2016 as approved by the Audit Committee.
 - A copy of the Limited Review Report of the Auditors of the Company is also attached.

The meeting commenced at 09:30 A.M. and concluded at 11:00 P.M.

- **To seek extension of time for holding the Annual General Meeting.**

The Company is considering the proposal of making an application to the Registrar of Companies for seeking extension of time for holding the Annual General Meeting, in light of the qualified report issued by the statutory auditors and in light of the various actions that are being undertaken by the Board of the Company.

Please arrange to take the same on record.

Thanking you

Yours faithfully,
For Accel Frontline Limited



Malcolm F Mehta
Executive Director

Statement of financial results for the Quarter and year ended 31 March 2016

Sl No	Particulars	(Rs. In Lakhs)					(Rs. In Lakhs)				
		3 Months ended 31 March 2016	Preceding 3 months ended 31 December 2015	Corresponding 3 Months ended 31 March 2015 in the previous year	Year to date figures for current year ended 31 March 2016	Previous year ended 31 March 2015	3 Months ended 31 March 2016	Preceding 3 months ended 31 December 2015	Corresponding 3 Months ended 31 March 2015 in the previous year	Year to date figures for current year ended 31 March 2016	Previous year ended 31 March 2015
1	Income from Operations (a) Net Sales/Income from operations (Net of excise duty) (b) Other operating income	17,299	13,487	15,266	51,105	48,587	9,462	8,991	9,831	32,249	34,017
2	Total Income from Operations (net) (a)+(b)	17,299	13,487	15,266	51,105	48,587	9,462	8,991	9,831	32,249	34,017
	Expenses										
	(a) Cost of raw materials consumed	83	14	12	717	126	83	12	83	717	126
	(b) Purchase of stock-in-trade	6,861	5,919	6,212	20,157	16,451	3,225	4,311	4,160	12,403	13,643
	(c) Change in inventories of finished goods and stock-in-trade	1,047	(135)	(138)	451	15	1,073	(147)	(147)	451	6
	(d) Employee benefits expense	3,750	3,447	3,344	13,866	11,669	2,173	2,152	2,023	8,589	7,773
	(e) Depreciation and amortisation expense	270	251	332	1,007	1,203	292	211	292	846	1,050
	(f) Sub-contracting and outsourcing cost	1,691	1,687	1,912	6,438	8,940	868	1,224	685	4,527	3,942
	(g) Other expenses	2,172	2,345	2,211	8,421	6,467	1,259	1,991	1,886	6,551	5,144
3	Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)	15,874	13,528	13,885	51,057	44,871	8,911	9,750	8,912	34,684	31,684
4	Profit/(Loss) from operations before other income, finance costs and prior period items (1-2)	1,425	(41)	1,381	48	3,716	551	(759)	919	(1,835)	2,333
5	Other income	136	4	55	188	148	46	4	141	98	193
6	Profit/(Loss) from ordinary activities before finance costs and prior period items(3 + 4)	1,561	(37)	1,436	236	3,864	597	(755)	1,060	(1,737)	2,526
7	Finance costs	551	529	579	2,083	2,255	509	502	552	1,957	2,128
8	Profit/(Loss) from ordinary activities after finance costs but before exceptional items and prior period items(5 - 6)	1,010	(566)	857	(847)	1,609	88	(1,257)	508	(3,694)	398
9	Exceptional items	(2,429)	(371)	-	(2,800)	-	(1,693)	(241)	-	(1,932)	-
10	Profit/(Loss) from ordinary activities before prior period items and tax (7+8)	(1,419)	(937)	857	(4,647)	1,609	(1,603)	(1,498)	508	(5,626)	398
11	Prior period items	(7,835)	(625)	(1,505)	(8,665)	(1,505)	(7,241)	(625)	(1,505)	(8,071)	(1,505)
12	Profit/(Loss) from ordinary activities before tax (9+10)	(9,254)	(1,562)	(648)	(13,312)	104	(8,844)	(2,123)	(997)	(13,697)	(1,107)
13	Tax expense										
	(a) Current tax	17	101	83	214	162	62	-	17	62	17
	(b) Deferred tax	156	-	(501)	156	(378)	62	-	(501)	62	(378)
14	Total tax expense (a)+(b)	173	101	(418)	370	(216)	62	-	(484)	62	(361)
15	Net Profit/(Loss) after taxes but before minority interest (13-12)	(9,427)	(1,663)	(230)	(13,682)	320	(8,906)	(2,123)	(513)	(13,759)	(746)
16	Minority interest	(3,676)	(225)	(238)	(8,22)	(14,4)	-	-	(513)	(13,759)	(746)
17	Net Profit/(Loss) for the period (13+14)	(9,803)	(1,888)	(467)	(14,504)	(94)	(8,906)	(2,123)	(513)	(13,759)	(746)
18	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
	(Face value Per share Rs. 10)										
	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year					9,119					8,428
	i. Earnings Per Share (EPS)										
	(a) Basic	(32.94)	(6.34)	(1.57)	(48.73)	(0.32)	(29.92)	(7.13)	(1.72)	(46.23)	(2.51)
	(b) Diluted	(32.94)	(6.34)	(1.57)	(48.73)	(0.32)	(29.92)	(7.13)	(1.72)	(46.23)	(2.51)



Segment-wise Revenue, Result and Capital Employed

Particulars	Consolidated				Standalone					
	3 Months ended 31 March 2016	Preceding 3 months ended 31 December 2015	Corresponding 3 months ended 31 March 2015 in the previous year	Year to date figures for current period ended 31 March 2016	Previous year ended 31 March 2015	3 Months ended 31 March 2016	Preceding 3 months ended 31 December 2015	Corresponding 3 months ended 31 March 2015 in the previous year	Year to date figures for current period ended 31 March 2016	Previous year ended 31 March 2015
1. Segment Revenue	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
Systems Integration	8,113	7,808	9,203	26,177	27,212	3,786	4,217	4,340	13,242	15,075
Infrastructure Management Services	6,607	3,034	3,593	14,502	10,775	4,177	3,034	3,503	12,072	10,775
Software Services	2,160	2,091	1,768	8,170	7,618	1,123	1,242	1,242	4,942	5,502
Warranty Management Services	376	498	656	1,993	2,665	376	498	656	1,993	2,665
Training	43	56	46	263	317	-	-	-	-	-
Net Sales / Income from Operations	17,299	13,487	15,266	51,105	48,587	9,462	8,991	9,831	32,249	34,017
2. Segment result										
Systems Integration	720	492	129	858	424	(391)	17	4	(551)	539
Infrastructure Management Services	809	487	171	1,384	2,386	748	235	(231)	547	780
Software Services	(128)	(290)	(104)	(282)	439	21	(144)	(70)	22	530
Warranty Management Services	(51)	(129)	(78)	(344)	(221)	(51)	(129)	(78)	(344)	(221)
Training	(43)	(32)	(48)	(61)	(42)	-	-	-	-	-
Total	1,307	528	69	1,555	2,986	327	(21)	(375)	(326)	1,628
Less : (i) Interest expenses	562	518	579	2,083	2,255	510	501	552	1,957	2,128
Less : (ii) Other unallocable expenses	10,135	1,576	193	12,971	12,971	8,705	1,606	211	11,512	800
Add : Unallocable income	136	4	55	188	148	44	5	141	98	193
Total Profit/(Loss) Before Tax	(9,254)	(1,562)	(648)	(13,312)	104	(8,844)	(2,123)	(997)	(13,697)	(1,107)
3. Capital Employed (Segment assets - Segment Liabilities)										
Systems Integration	4,444	4,150	4,778	4,444	4,778	227	2,774	2,932	227	2,932
Infrastructure Management Services	(2)	1,938	3,885	(2)	3,885	259	893	3,885	259	3,885
Software Services	(451)	1,289	1,716	(451)	1,716	712	1,339	2,841	712	2,841
Warranty Management Services	127	388	841	127	841	127	388	841	127	841
Training	(113)	(887)	(869)	(113)	(869)	-	-	-	-	-
Unallocated	(4,460)	1,912	2,644	(4,460)	2,644	(3,681)	1,158	905	(3,681)	905
Total Capital Employed	(455)	8,790	12,995	(455)	12,995	(2,356)	6,552	11,404	(2,356)	11,404



Notes :

- 1 The above audited financial results as reviewed by the audit committee were approved and taken on record by the Board of Directors at its meeting held on 01 August 2016
- 2 The consolidated financial results comprises the financial results of the Company and its subsidiaries.
- 3 During the financial year, the Company under the present management which had been given operation control of the Company had undertaken an exercise to validate the quality of the Trade receivables by appointing an independent consultant from one of the big four accounting firms. Based on their report and ongoing exercise conducted by the present management on certain other areas including inventories, fixed assets, etc, the Company had concluded that there was over-ride of financial controls resulting in financial mis-management prior to the operations being handed over to the present management by the previous management in operation control of the Company in two stages in May, 2015 and September, 2015. An amount of Rs. 11,465 lakhs has been provided /written off in the books, which is disclosed in the financial results as prior period items (which pertain to transactions prior to 31st March 2015) / exceptional items. The management is of the opinion that these provisions/written offs are appropriate as on date. This is the subject matter of qualifications in the Auditors' report.
- 4 Consequent to note above, the Board of Directors had suspended the then Executive Chairman with immediate effect. Accel Limited, member of the Company, represented by the erstwhile Executive Chairman of the Company moved the Company Law Board against the Company seeking certain reliefs, which was duly contested by the Company. The Company Law Board has not passed any interim order against the company or granted any relief to Accel Limited. In the opinion of the management, no financial implications are expected out of the same.
- 5 The Company has incurred a loss after tax of Rs. 13,750 lakhs and the company's Net worth has been fully eroded as of 31st March 2016, the net current liability position as at 31 March 2016 is Rs. 6,458 lakhs. The Company has strengthened its management team and also secured working capital facilities with various banks, which should enable the Company to meet its obligations and operate over the next 12 months and accordingly the financials have been prepared on a going concern basis. Subsequent to year end, during the quarter ended 30 June 2016, the Company has also made a cash profit of Rs. 423 lakhs.
- 6 Consequent to a change in the software for recording of inventory transactions pertaining to the maintenance divisions, the Company has valued its inventory pertaining to these divisions on the basis of a method that approximates weighted average cost. The Company is in the process of customizing its software to meet the requirements of Accounting Standard 2 - Valuation of Inventories. This is a subject matter of qualification in the audit report for the year ended 31 March 2015 and 31 March 2016.
- 7 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 audit report for the year ended 31 March 2015 and 31 March 2016
- 8 The figures for the quarter ended 31 March 2016 and 31 March 2015 represents the difference between the audited figures in respect of full financial years and the published figures for the nine months ended 31 December 2015 and 31 December 2014 respectively.
- 9 Previous quarter / year's figures have been regrouped and rearranged wherever necessary.

Date : 01 August 2016
Place : Chennai

For Accel Frontline Limited


Malcolm F Mehta
Executive Director



Balance sheet

Rs. In Lakhs

Particulars	Consolidated		Standalone	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2,976	2,976	2,976	2,976
Reserves and surplus	(5,246)	9,119	(5,332)	8,428
	(2,270)	12,095	(2,356)	11,404
Minority Interest	1,825	900		
Non-current liabilities				
Long-term borrowings	6,630	7,070	5,436	5,190
Deferred tax liability, net	95	-	-	-
Long-term provisions	943	605	798	484
	7,668	7,675	6,234	5,674
Current liabilities				
Short-term borrowings	14,626	12,744	13,823	12,706
Trade payables	6,452	6,632	3,300	3,179
Other current liabilities	6,771	5,402	4,590	3,536
Short-term provisions	262	98	188	97
	28,111	24,876	21,901	19,518
Total	35,334	45,546	25,779	36,596
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	1,652	2,468	863	2,196
Intangible assets	1,884	2,711	1,884	2,405
Capital work-in-progress	-	25	-	25
Intangible assets under development	-	74	-	74
Goodwill on consolidation	1,094	1,464	-	-
Non-current investments	-	-	2,227	2,468
Deferred tax asset, net	-	61	-	61
Long-term loans and advances	4,773	5,827	4,628	5,459
Other non current assets	735	1,329	734	845
	10,138	13,959	10,336	13,533
Current assets				
Inventories	3,647	4,094	3,646	4,061
Trade receivables	15,269	20,103	8,818	13,841
Cash and bank balances	3,576	4,035	954	1,386
Short-term loans and advances	2,196	1,380	1,517	1,942
Other current assets	508	1,975	508	1,833
	25,196	31,587	15,443	23,063
Total	35,334	45,546	25,779	36,596

M.M.



Walker Chandiook & Co LLP

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

To the Board of Directors of Accel Frontline Limited

1. We have audited the annual consolidated financial results of Accel Frontline Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to note 8 in the annual consolidated financial results regarding the figures for the quarter ended 31 March 2016 as reported in these annual consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These annual consolidated financial results have been prepared on the basis of the annual consolidated financial statements and reviewed quarterly consolidated financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual consolidated financial results based on our review of consolidated financial results for the nine months period ended 31 December 2015 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. As detailed in note 3 to the financial results, the Company has made a provision for bad and doubtful debts and written off bad debts amounting to ₹ 132 lakhs and ₹ 5,117 lakhs, respectively for the year



ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹ 9,166 lakhs as at 31 March 2016, the management of the Company is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial results. Our limited review report for the quarter and period ended 31 December 2015, was also qualified in this regard.

4. As disclosed in note 6 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,823 lakhs as at 31 March 2016 (31 March 2015: ₹ 3,044 lakhs). According to the information and explanations given to us, the management of Company is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2016, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2015 and the review reports for the quarter and period ended 30 June 2015, 30 September 2015, and 31 December 2015 were also qualified in this regard.
5. As disclosed in note 3 to the financial results, the Company has provided for an amount of ₹ 750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March 2016. The management is presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial results.
6. As disclosed in note 3 to the financial results, the Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹ 3,104 lakhs and accumulated depreciation of ₹ 2,309 lakhs, in respect of which company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial results.
7. As disclosed in note 7 to the financial statements, revenues aggregating to ₹ 397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would have been higher by ₹ 397 lakhs, ₹ 368 lakhs, ₹ 29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs respectively and net loss for the period after tax would have been higher by ₹ 29 lakhs. Our audit report for the previous year ended 31 March 2015 and review report for the quarter and period ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified with respect to this matter.



8. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of reports of other auditors, the annual consolidated financial results:

(i) include the annual financial results for the year ended 31 March 2016, of the following entities

Subsidiaries

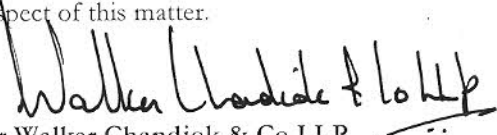
- a) Accel Systems & Technologies Pte, Limited, Singapore
- b) Accel Frontline JLT, Dubai
- c) Accel Japan KK, Japan
- d) Network Programs (Japan) Inc., USA
- e) Network Programs (USA) Inc., USA
- f) Accel North America., USA
- g) Accel IT Resources Limited, India
- h) Accel Technologies Ltd, UK

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(iii) give a true and fair view of the consolidated net loss and other financial information for the year ended 31 March 2016 except for the effects/possible effects of qualifications as described in the previous paragraphs.

9. We draw attention to note 5 to the financial statements which indicates that the Group has incurred loss after tax of ₹ 14,504 lakhs during the year ended 31 March 2016 and, as of that date, the Group's accumulated losses amounted to ₹ 5,246 lakhs resulting in complete erosion of the net worth of the Group. Further, as of that date, the Group's current liabilities exceeded its current assets by ₹ 2,915 lakhs. These conditions, along with matters as set forth in note 3 and 5 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.

10. We did not audit the financial statements of 8 subsidiaries, included in the annual consolidated financial results, whose financial statements reflect total revenues (after eliminating intra-group transactions) of ₹ 21,280 lakhs and net profit after tax and prior period items (after eliminating intra-group transactions) of ₹ 77 lakhs for the year ended 31 March 2016 and total assets of ₹ 11,460 lakhs as at year ended 31 March 2016. These financial statements and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.


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


per Sumesh E S
Partner
Membership No. 206931



Chennai
01 August 2016

Walker Chandiook & Co LLP

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

To the Board of Directors of Accel Frontline Limited

1. We have audited the annual financial results of Accel Frontline Limited ("the Company") for the year ended 31 March 2016 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to note 8 in the annual financial results regarding the figures for the quarter ended 31 March 2016 as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual financial results based on our review of financial results for the nine months period ended 31 December 2015 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



3. As detailed in note 3 to the financial results, the Company has made a provision for bad and doubtful debts and written off bad debts amounting to ₹ 132 lakhs and ₹ 5,117 lakhs, respectively for the year ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹ 9,166 lakhs as at 31 March 2016, the management is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial results. Our limited review report for the quarter and period ended 31 December 2015, was also qualified in this regard.
4. As disclosed in note 6 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,823 lakhs as at 31 March 2016 (31 March 2015: ₹ 3,044 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2016, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2015 and the review reports for the quarter and period ended 30 June 2015, 30 September 2015, and 31 December 2015 were also qualified in this regard.
5. As disclosed in note 3 to the financial results, the Company has provided for an amount of ₹ 750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March 2016. The management is presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial results.
6. As disclosed in note 3 to the financial results, the Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹ 3,104 lakhs and accumulated depreciation of ₹ 2,309 lakhs, in respect of which company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial results.
7. As disclosed in note 7 to the financial results, revenues aggregating to ₹397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would



Walker Chandiook & Co LLP

have been higher by ₹397 lakhs, ₹368 lakhs, ₹29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹397 lakhs, ₹368 lakhs respectively and net loss for the period after tax would have been higher by ₹29 lakhs. Our audit report for the previous year ended 31 March 2015 and review report for the quarter and period ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified with respect to this matter.

8. In our opinion and to the best of our information and according to the explanations given to us the annual financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) give a true and fair view of the net loss and other financial information for the year ended 31 March 2016 except for the effects/possible effects of qualifications as described in the previous paragraphs
9. We draw attention to note 5 to the financial results which indicates that the Company has incurred loss after tax of ₹ 13,759 lakhs during the year ended 31 March 2016 and, as of that date, the Company's accumulated losses amounted to ₹ 5,332 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 ₹ 6,458 lakhs. These conditions, along with matters as set forth in note 3 and 5 indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Walker 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



Chennai
01 August 2016

ACCEL FRONTLINE LIMITED

Annexure I

Statement on Impact of Audit Qualifications

(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-
Consolidated for Financial Year March 31, 2016.

(Rs. In lacs except earnings per share)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	51,293	51,690
	2.	Total Expenditure	64,975	65,343
	3.	Net Loss after tax	(13,682)	(13,682)
	4.	Earnings Per Share	(45.97)	(45.97)
	5.	Total Assets	35,334	35,334
	6.	Total Liabilities	35,779	35,779
	7.	Net Worth	(445)	(445)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification			
		(a) Details of Audit Qualification:	(b) Type of Audit Qualification:	(c) Frequency of Qualification
	(i)	As detailed in note 3 to the financial results, the Company has made a provision for bad and doubtful debts and written off bad debts amounting to ₹ 132 lakhs and ₹ 5,117 lakhs, respectively for the year ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹ 9,166 lakhs as at 31 March 2016, the management of the Company is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial results. Our limited review report for the quarter and period ended 31 December 2015, was also qualified in this regard.	Qualified Opinion	First Time
	(ii)	As disclosed in note 6 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,823 lakhs as at 31 March 2016 (31 March 2015: ₹ 3,044 lakhs). According to the information and	Qualified Opinion	Continuing from the year ended 31 March 2015

	<p>explanations given to us, the management of Company is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2016, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2015 and the review reports for the quarter and period ended 30 June 2015, 30 September 2015, and 31 December 2015 were also qualified in this regard.</p>		
(iii)	<p>As disclosed in note 3 to the financial results, the Company has provided for an amount of ₹ 750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March 2016. The management is presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial results.</p>	Qualified Opinion	First Time
(iv)	<p>As disclosed in note 3 to the financial results, the Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹ 3,104 lakhs and accumulated depreciation of ₹ 2,309 lakhs, in respect of which company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial results.</p>	Qualified Opinion	First Time
(v)	<p>As disclosed in note 7 to the financial results, revenues aggregating to ₹ 397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Company followed the</p>	Qualified Opinion	Continuing from the year ended 31 March 2015

	<p>accounting principles as laid down under Accounting Standard 9 – ‘Revenue Recognition’, the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would have been higher by ₹ 397 lakhs, ₹ 368 lakhs, ₹ 29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs respectively and net loss for the period after tax would have been higher by ₹ 29 lakhs. Our audit report for the previous year ended 31 March 2015 and review report for the quarter and period ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified with respect to this matter.</p>		
d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management’s views:</p>	<p>With respect to qualification (v), the management agrees to the qualification but is of the opinion the changes will not have any impact on the net profits after tax and prior period items during the year.</p>	
e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p>		
	<p>(i) Management’s estimation on the impact of audit qualification:</p>		Not Applicable
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p>	<p><u>Qualification (i)</u></p> <p>Refer note (3) of the financial results, the company has initiated a process of confirmation / reconciliation with customers, which is in progress. The company is yet to complete this process.</p> <p><u>Qualification (ii)</u></p> <p>Refer note (3) of the financial results, the Company has during the year performed a 100% physical verification of its inventories and material discrepancies identified were provided as on date. Further, the Company has initiated a process of evaluating the discrepancy and strengthening the existing process. The company is yet to complete this process.</p> <p><u>Qualification (iii)</u></p> <p>During the previous year, the Company has migrated to a new software, with respect to the recording of inventory transactions</p>	

		<p>pertaining to maintenance division. 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 services by maintenance division. During the current year, the issue was addressed pertaining to transactions in the financial year and the company is in the processing of replicating the same for opening inventory.</p> <p><u>Qualification (iv)</u></p> <p>Refer note (3) of the financial results, the Company has during the year performed a 100% physical verification of its fixed assets. The reconciliation of the books with the physical verification report is in progress. The company is yet to complete this process.</p>
	<p>(iii) Auditor's Comments on (i) or (ii) above:</p>	<p>As described in note e (ii) the management is in the process of completing certain procedures to quantify the effect of modifications made in the audit opinion.</p>



III

Signed by:


For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Sunesh E S

Partner

Membership No. 206931

Place: Chennai


Date: 1 August 2016

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



Malcolm F Mehta

Executive Director



R. Ramaraj

Chairman of Audit Committee


Neelakantan R

Chief Financial Officer

Place: Chennai

Date: 1 August 2016



ACCEL FRONTLINE LIMITED

Annexure I

Statement on Impact of Audit Qualifications

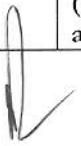
(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-
Standalone for Financial Year March 31, 2016.


(Rs. In lacs except earnings per share)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	32,347	32,744
	2.	Total Expenditure	46,106	46,474
	3.	Net Loss after tax	(13,759)	(13,759)
	4.	Earnings Per Share	(46.23)	(46.14)
	5.	Total Assets	25,779	25,779
	6.	Total Liabilities	28,135	28,135
	7.	Net Worth	(2,356)	(2,356)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification				
		(a) Details of Audit Qualification:	(b) Type of Audit Qualification:	(c) Frequency of Qualification
	(i)	As detailed in note 3 to the financial results, the Company has made a provision for bad and doubtful debts and written off bad debts amounting to ₹ 132 lakhs and ₹ 5,117 lakhs, respectively for the year ended 31 March 2016. According to the information and explanations given to us, in respect of the trade receivables amounting to ₹ 9,166 lakhs as at 31 March 2016, the management is taking steps including obtaining balance confirmations to assess the existence of the said trade receivables and/or any additional adjustments required to the trade receivables. Pending completion of the aforesaid process and in absence of sufficient appropriate evidence, we are unable to comment upon the existence of the aforesaid trade receivables or any adjustments required to the remaining trade receivables and the consequent impact, if any, on the accompanying financial results. Our limited review report for the quarter and period ended 31 December 2015, was also qualified in this regard.	Qualified Opinion	First Time

(ii)	<p>As disclosed in note 6 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,823 lakhs as at 31 March 2016 (31 March 2015: ₹ 3,044 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records relating to valuation of inventory pertaining to its maintenance division, and in the absence of sufficient appropriate evidence, we are unable to comment upon the impact of the aforesaid matter on carrying value of aforesaid inventory as at 31 March 2016, changes in inventories of stock-in-trade and spares, prior period items, and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the previous year ended 31 March 2015 and the review reports for the quarter and period ended 30 June 2015, 30 September 2015, and 31 December 2015 were also qualified in this regard.</p>	Qualified Opinion	Continuing from the year ended 31 March 2015
(iii)	<p>As disclosed in note 3 to the financial results, the Company has provided for an amount of ₹ 750 lakhs during the year in respect of discrepancies noted on the physical verification of inventory of maintenance division as at 31 March 2016. The management is presently in the process of evaluating the reasons for such material discrepancies noted on the aforesaid physical verification. Pending completion of such process and in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of the provision so recognized and the corresponding impact, if any, on the existence of inventory, purchases of stock-in-trade for the year ended 31 March 2016, trade payables as at 31 March 2016 and consequential impact on the accompanying financial results.</p>	Qualified Opinion	First Time

(iv)	As disclosed in note 3 to the financial results, the Company's fixed assets as at 31 March 2016 comprise fixed assets having a gross book value of ₹ 3,104 lakhs and accumulated depreciation of ₹ 2,309 lakhs, in respect of which company is in the process conducting a physical verification and reconciliation with books of account. Pending completion of such process and in the absence of other sufficient appropriate audit evidence, we are unable to comment upon the existence and carrying value of the aforesaid assets, depreciation expense for the current year and accumulated depreciation in respect thereof and the consequential impact on the accompanying financial results.	Qualified Opinion	First Time
(v)	As disclosed in note 7 to the financial results, revenues aggregating to ₹397 lakhs pertaining to the year ended 31 March 2016 were recognized in the previous year ended 31 March 2015. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net sales/income from operations (net of excise duty), changes in inventories of finished goods and stock-in-trade and prior period items for the year ended 31 March 2016 would have been higher by ₹397 lakhs, ₹368 lakhs, ₹29 lakhs respectively. Similarly, the net sales/income from operations (net of excise duty), the changes in inventories of finished goods and stock-in-trade for the year ended 31 March 2015 would have been lower by ₹397 lakhs, ₹368 lakhs respectively and net loss for the period after tax would have been higher by ₹29 lakhs. Our audit report for the previous year ended 31 March 2015 and review report for the quarter and period ended 30 June 2015, 30 September 2015 and 31 December 2015 were also qualified with respect to this matter.	Qualified Opinion	Continuing from the year ended 31 March 2015
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:	With respect to qualification (v), the management agrees to the qualification but is of the opinion the changes will not have any impact on the net profits after tax and prior period items during the year.	
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification:	Not Applicable	



	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p>	<p><u>Qualification (i)</u></p> <p>Refer note (3) of the financial results, the company has initiated a process of confirmation / reconciliation with customers, which is in progress. The company is yet to complete this process.</p> <p><u>Qualification (ii)</u></p> <p>Refer note (3) of the financial results, the Company has during the year performed a 100% physical verification of its inventories and material discrepancies identified were provided as on date. Further, the Company has initiated a process of evaluating the discrepancy and strengthening the existing process. The company is yet to complete this process.</p> <p><u>Qualification (iii)</u></p> <p>During the previous year, the Company has migrated to a new software, with respect to the recording of inventory transactions pertaining to maintenance division. 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 services by maintenance division. During the current year, the issue was addressed pertaining to transactions in the financial year and the company is in the processing of replicating the same for opening inventory.</p> <p><u>Qualification (iv)</u></p> <p>Refer note (3) of the financial results, the Company has during the year performed a 100% physical verification of its fixed assets. The reconciliation of the books with the physical verification report is in progress. The company is yet to complete this process.</p>
	<p>(iii) Auditor's Comments on (i) or (ii) above:</p>	<p>As described in note e (ii) the management is in the process of completing certain procedures to quantify the effect of modifications made in the audit opinion.</p>

III

Signed by:

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S

Sumesh E S

Partner

Membership No. 206931

Place: Chennai

Date: 1 August 2016

For and on behalf of the Board of Directors of

Accel Frontline Limited

M Mehta

Malcolm F Mehta

Executive Director

Ramaraj

R. Ramaraj

Chairman of Audit Committee

Neelakantan R

Neelakantan R

Chief Financial Officer

Place: Chennai

Date: 1 August 2016

