

AFL/SS/SE/61/2017-2018

04th November, 2017

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

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

Dear Sir,

Sub: Unaudited Financial Results for the quarter and year to date ended 30th September, 2017 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors at their meeting held on 04th November, 2017 have taken on record the following decisions:

- Considered and Approved Standalone Unaudited Financial Results for the quarter and year to date ended 30/09/2017 along with the statement of Assets and Liabilities on the recommendation of the Audit Committee.
- A Copy of the Limited Review Report from the Auditors for the period ended 30/09/2017.

The meeting commenced at 11:00 AM and concluded at 03:15 P.M.

Please arrange to take the same on record.

Thanking you

Yours faithfully,
For Accel Frontline Limited


S. Sundaramurthy
Company Secretary



Encl : as above

Statement of Financial results for the period and the quarter ended 30 September 2017

₹ In Lakhs

S.No	Particulars	Standalone						Year ended 31 March 2017
		30 September 2017	Quarter ended 30 June 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2016	
1	Revenue from operations	8,733	14,343	8,421	23,076	16,783	36,505	
2	Other income	179	26	45	205	65	152	
3	Total revenue (1+2)	8,912	14,369	8,466	23,281	16,848	36,657	
4	Expenses							
	(a) Cost of raw materials and components consumed	269	229	101	498	119	189	
	(b) Purchases of stock-in-trade and spares	3,132	8,826	3,533	11,958	7,022	16,882	
	(c) Changes in inventories of Stock-in-trade and spares	271	(56)	(37)	215	(113)	(105)	
	(d) Excise duty recovered on sales	56	62	11	118	14	-	
	(e) Employee benefits expense	2,491	2,316	2,376	4,807	4,542	9,234	
	(f) Finance costs	445	523	606	968	1,087	2,353	
	(g) Depreciation and amortization expense	160	155	201	315	385	890	
	(h) Other expenses	2,297	2,304	2,211	4,601	4,416	9,296	
5	Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)	9,121	14,359	9,002	23,480	17,472	38,739	
6	Profit/(loss) before tax and exceptional item (4-5)	(209)	10	(536)	(199)	(624)	(2,082)	
7	Exceptional item (also, refer note 7 below)	8,227	-	-	8,227	-	-	
8	Profit/(loss) before tax (6+7)	8,018	10	(536)	8,028	(624)	(2,082)	
9	Tax expense:							
	a) Current tax	1,409	-	-	1,409	-	-	
10	Profit/(loss) for the period (8-9)	6,609	10	(536)	6,619	(624)	(2,082)	
11	Other comprehensive income							
	<i>h) Items that will not be reclassified to profit or loss</i>							
	- Re-measurement gains (losses) on defined benefit plans	(9)	17	4	8	(18)	-	
12	Other comprehensive income for the period, net of tax	(9)	17	4	8	(18)	-	
13	Total comprehensive income for the period (10+12)	6,600	27	(532)	6,627	(642)	(2,082)	
14	Earnings per equity share (profit/ (loss) after tax)							
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	22.21	0.03	(1.80)	22.24	(2.10)	(7.00)	
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	22.21	0.03	(1.80)	22.24	(2.10)	(7.00)	
	Earnings per equity share (total comprehensive income)							
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	22.18	0.09	(1.79)	22.27	(2.16)	(7.00)	
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	22.18	0.09	(1.79)	22.27	(2.16)	(7.00)	

MKA



Notes

- 1 The above unaudited financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 04 November 2017.
- 2 Results for the period and quarter ended 30 September 2017 are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning after 01 April 2017. Consequently, results for the corresponding quarter ended and period ended 30 September 2016, have been restated as per the requirements of the said notification to comply with Ind AS to make them comparable. The results for the year ended 31 March 2017 disclosed in the above results and the financial position as at 31 March 2017 are reported under previous GAAP and not restated to Ind AS. Accordingly, to this extent the above results are not comparable.
- 3 There is a possibility that these quarterly financial results may require adjustments before constituting the final Ind AS financial statements as of and for the year ending 31 March 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- 4 Consequent to a change in the software for recording of inventory transactions pertaining to the maintenance divisions in the previous years, the Company has valued its inventory pertaining to these divisions on the basis of a method that approximates weighted average cost. The Company is in the process of customizing its software to meet the requirements of Indian Accounting Standard 2 – Valuation of Inventories. This is a subject matter of qualification in the review report for the year/period ended 31 March 2015, 31 March 2016, 31 March 2017 and quarter ended 30 June 2016, 30 September 2016, 31 December 2016, 30 June 2017 and 30 September 2017.
- 5 The Company has invested an amount of ₹ 790 lakhs in subsidiary named Accel IT Resources Limited (AITRL) and advanced loan (including interest) amounting to ₹ 520 lakhs. AITRL has reported losses during the current year, its net worth is fully eroded as at 30 September 2017. However, the management of the subsidiary has acquired new customers and is also evaluating various opportunities which includes curtailment of expenses, restructuring of operations in order to optimise revenue generation by investing in technology, increasing customer base. The management of the subsidiary is confident that these plans would enable the subsidiary to improve its financial position thereby enabling the recovery of investments made, loans given and accordingly no provision needs to be made for these investments and loans given in the standalone financial results.
- 6 Statement of reconciliation of loss after tax under Ind AS and loss after tax reported under previous Indian GAAP (IGAAP) for the period and quarter ended 30 September 2016 is as follows:

Particulars	Standalone	
	Quarter ended 30 September 2016	Half year ended 30 September 2016
Loss after tax as per previous Indian GAAP (A)	(537)	(650)
Adjustments:		
Gain on fair valuation of long term loans and advances	4	6
Reclassification of net actuarial gain on employee defined benefit obligations	(4)	18
Premium on financial guarantee contracts	1	2
Net adjustments (B)		
Net loss after tax (before Other Comprehensive Income) as per Ind AS	(536)	(624)

- 7 The Company has disinvested the entire 51% (fifty one percent) stake in its Singapore subsidiary, for a total consideration of \$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only), INR equivalent 900,249,450 on 10 July 2017. The profit made on such sale of investment to the tune of ₹ 8,227 lakhs has been disclosed under exceptional item.
- 8 The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

Place : Chennai
Date : 04 November 2017

For Accel Frontline Limited
M. Mehta
Malcolm F. Mehta
Chairman & Chief Executive Officer

Accel Frontline Limited

Regd Office : 75, Nelson Manickam Road, Aminjikarai, Chennai 600 029.

CIN No: L30006TN1995PLCC031736

Segment-wise Revenue, Result, Assets and Liabilities

(Rs. In Lakhs)

Particulars	Standalone					
	Quarter ended			Half year ended		Year ended
	30 September 2017 (Unaudited)	30 June 2017 (Unaudited)	30 September 2016 (Unaudited)	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)	31 March 2017 (Audited)
1. Segment Revenue						
Systems Integration	3,927	9,509	3,624	13,436	7,276	17,101
Infrastructure Management Services	3,418	3,453	3,247	6,871	6,440	13,453
Software Services	938	907	1,125	1,845	2,234	4,231
Warranty Management Services	450	474	425	924	833	1,720
Net Sales / Income from Operations	8,733	14,343	8,421	23,076	16,783	36,505
2. Segment result						
Systems Integration	219	324	(28)	543	139	158
Infrastructure Management Services	214	531	352	745	895	1,530
Software Services	(1)	(59)	(57)	(60)	(20)	(301)
Warranty Management Services	(87)	(61)	(64)	(148)	(210)	(456)
Total	345	735	203	1,080	804	931
Less : (i) Interest expenses	445	523	606	968	1,087	2,353
Less : (ii) Other unallocable expenses	288	228	178	516	406	812
Add : Other income (including exceptional item)	8,406	26	45	8,432	65	152
Total Profit/(Loss) Before Tax	8,018	10	(536)	8,028	(624)	(2,082)
3. Segment Assets						
Systems Integration	7,032	13,772	7,111	7,032	7,111	7,895
Infrastructure Management Services	9,240	9,659	10,287	9,240	10,287	8,930
Software Services	3,840	3,527	2,865	3,840	2,865	3,499
Warranty Management Services	1,350	1,225	1,320	1,350	1,320	1,145
Unallocated	7,373	7,929	6,617	7,373	6,617	7,370
Total Assets	28,835	36,112	28,200	28,835	28,200	28,839
4. Segment Liabilities						
Systems Integration	6,609	14,274	6,448	6,609	6,448	8,814
Infrastructure Management Services	6,691	8,418	8,483	6,691	8,483	8,798
Software Services	3,161	4,561	2,132	3,161	2,132	2,911
Warranty Management Services	1,398	1,728	947	1,398	947	1,351
Unallocated	9,315	12,069	13,730	9,315	13,730	11,402
Total Liabilities	27,174	41,050	31,740	27,174	31,740	33,276

NM



(M)

Accel Frontline Limited

Regd Office : 75, Nelson Manickam Road, Aminjikarai, Chennai 600 029.

CIN No: L30006TN1995PLCO31736

Statement of Financial position as at 30 September 2017

₹ In Lakhs

Particulars	Standalone	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited Ind AS)	(Audited IGAAP)
ASSETS		
Non-current assets		
Property, plant and equipment	567	556
Intangible assets	1,234	1,426
Financial assets		
- Investments	1,452	2,227
- Bank balances	1,260	692
- Other financial assets	880	819
Income tax assets (net)	4,311	4,198
Other non-current assets	677	498
	10,381	10,416
Current assets		
Inventories	3,452	3,821
Financial assets		
- Trade receivables	11,141	11,627
- Cash and cash equivalents	229	241
- Bank balances other than those mentioned in cash and cash equivalents	2	4
- Loans	685	584
- Other financial assets	27	36
Other current assets	2,918	2,110
	18,454	18,423
Total assets	28,835	28,839
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,976	2,976
Other equity		
- Share premium	6,857	6,857
- Reserves and surplus	(8,172)	(14,270)
	1,661	(4,437)
Non-current liabilities		
Financial liabilities		
- Borrowings	4,004	5,342
Provisions	939	689
	4,943	6,031
Current liabilities		
Financial liabilities		
- Borrowings	12,698	18,406
- Trade payables	2,470	2,822
- Other financial liabilities	3,188	3,127
Other current liabilities	3,092	2,587
Provisions	783	303
	22,231	27,245
Total equity and liabilities	28,835	28,839

Place : Chennai

Date : 04 November 2017

M.M.



9

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

7th Floor, Prestige Polygon
471, Anna Salai, Teynampet
Chennai 600018
India

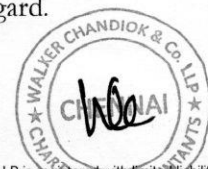
T +91 44 4294 0000

F +91 44 4294 0044

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

To the Board of Directors of Accel Frontline Limited

1. We have reviewed the accompanying statement of standalone financial results ('Statement') of Accel Frontline Limited ('the Company') for the quarter ended 30 September 2017 and the year to date results for the period 01 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2016 and the year to date results for the period 01 April 2016 to 30 September 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As disclosed in note 4 to the financial results, the Company's inventory at maintenance divisions is carried at ₹ 3,696 lakhs as at 30 September 2017 (31 March 2017: ₹ 3,594 lakhs). According to the information and explanations given to us, the management is unable to comply with the requirement of valuing the inventory in accordance with the requirements of Indian Accounting Standard (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 30 September 2017, changes in inventories of stock-in-trade and spares and the consequent impact, on the accompanying financial results. Our audit opinion on the financial statements for the year ended 31 March 2017 and the review reports for the quarter and period ended 30 June 2016, 30 September 2016, 31 December 2016 and 30 June 2017 were also qualified in this regard.



Walker Chandiok & Co LLP

4. Based on our review conducted as above, except for the possible effects of the matter described in previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement
5. We draw attention to note 5 to the standalone financial results regarding the Company's long-term investments in its subsidiary and long-term loans and advances (including interest receivable) due from such subsidiary amounting to ₹ 790 lakhs and ₹ 520 lakhs respectively as at 30 September 2017. The net worth of the aforesaid subsidiary has been fully eroded as at 30 September 2017. However, based on the subsidiary's future business plans, which have been developed using certain management assumptions and estimates, the decline in value of the aforesaid investment is considered as temporary in nature and the aforesaid long-term loans and advances (including interest receivable) are considered as fully recoverable. Accordingly, no provision of aforesaid amounts has been recognized in the accompanying standalone financial results. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sunesh E S

per Sunesh E S
Partner

Membership No. 206931



Place : Chennai

Date : 04 November 2017