

Annexure I

SI No	Particulars	(Rs. In Lakhs)						(Rs. In Lakhs)					
		CONSOLIDATED			STANDALONE			CONSOLIDATED			STANDALONE		
		3 Months ended 31 December 2014	Preceding 3 months ended 30 September 2014	3 months ended 31 December 2013 in the previous year	Year to date figures for current period ended 31 December 2014	Year to date figures for the previous year ended 31 December 2013	Previous year ended 31 March 2014	3 Months ended 31 December 2014	Preceding 3 months ended 30 September 2014	3 months ended 31 December 2013 in the previous year	Year to date figures for current period ended 31 December 2014	Year to date figures for the previous year ended 31 December 2013	Previous year ended 31 March 2014
1	Income from Operations												
	(a) Net Sales/Income from operations (Net of excise duty)	11,541	11,891	9,980	33,321	28,802	42,134	7,997	8,993	7,219	24,186	20,836	29,680
	(b) Other operating income												
2	Total income from Operations (net) (a)+(b)	11,541	11,891	9,980	33,321	28,802	42,134	7,997	8,993	7,219	24,186	20,836	29,680
	Expenses												
	(a) Cost of raw materials consumed	42	85	11	113	168	72	42	85	11	113	168	72
	(b) Purchase of stock-in-trade	5,180	4,984	3,162	13,610	9,784	17,602	3,465	3,790	2,748	9,483	7,777	12,185
	(c) Changes in inventories of finished goods and stock-in-trade	59	108	176	153	25	214	50	54	176	153	25	175
	(d) Employee benefits expense	2,899	2,909	2,376	8,463	7,100	9,304	1,914	2,003	1,579	5,750	4,819	6,133
	(e) Depreciation and amortisation expense	325	275	288	870	806	1,107	200	239	247	758	712	972
	(f) Sub-contracting and outsourcing cost	973	1,123	2,026	3,659	5,341	3,173	968	1,082	792	3,257	2,483	3,174
	(g) Other expenses	1,372	1,439	1,307	4,118	3,853	8,128	1,121	1,126	1,004	3,258	3,007	4,579
	Total expenses (a) + (b) + (c) + (d) + (e) + (f) + (g)	10,550	10,923	9,346	30,986	27,077	39,690	7,459	8,379	6,537	22,772	18,991	27,292
3	Profit/(Loss) from operations before other income, finance costs(1-2)	691	968	634	2,335	1,725	2,444	138	614	662	1,414	1,845	2,388
4	Other income	37	43	211	93	442	516	29	21	200	52	200	234
5	Profit/(Loss) from ordinary activities before finance costs(3 + 4)	728	1,011	845	2,428	2,167	2,960	167	635	666	1,466	2,045	2,622
6	Finance costs	607	554	667	1,677	1,826	2,441	564	516	656	1,576	1,762	2,327
7	Profit/(Loss) from ordinary activities before tax (5-6)	121	457	178	751	341	519	(397)	119	10	(110)	283	295
8	Tax expense												
	(a) Current tax	36	43	(8)	79	74	24	(4)	4	(8)	123	74	4
	(b) Deferred tax	96	18	12	123	(7)	46	95	18	12	123	(7)	46
	Total tax expense (a) + (b)	132	61	4	202	67	70	91	22	4	123	67	50
9	Net Profit/(Loss) after taxes but before minority interest (7-8)	(11)	396	174	549	274	449	(488)	97	6	(233)	216	245
10	Minority interest	(90)	(69)	22	(177)	26	(112)	337	97	6	(233)	216	245
11	Net Profit/(Loss) for the period (9+10)	(101)	327	196	372	300	337	(488)	97	6	(233)	216	245
12	Paid-up equity share capital	2,976	2,976	2,426	2,976	2,426	2,976	2,976	2,976	2,426	2,976	2,426	2,976
13	Reserves excluding evaluation reserves as per the balance sheet of previous accounting year	(0.34)	1.10	0.72	1.25	1.13	1.76	(1.64)	0.33	0.02	(0.78)	0.89	0.36
14	Earnings Per Share (EPS) (of Face value of Rs. 10/- each) (not audited):												
	(a) Basic	(0.34)	1.10	0.72	1.25	1.13	1.76	(1.64)	0.33	0.02	(0.78)	0.89	0.36
	(b) Diluted	(0.34)	1.10	0.72	1.25	1.13	1.76	(1.64)	0.33	0.02	(0.78)	0.89	0.36

For Accel Frontline Limited

 N.R. PANICKER
 Executive Chairman

Select Information for the Third Quarter and Nine Months Ended 31 December 2014

PART II							
SI No	Particulars	3 Months ended 31 December 2014	Preceding 3 months ended 30 September 2014	Corresponding 3 months ended 31 December 2013 in the previous year	Year to date figures for current period ended 31 December 2014	Year to date figures for the previous year ended 31 December 2013	Previous year ended 31 March 2014 ..
A PARTICULARS OF SHAREHOLDING							
1 Public shareholding							
	- Number of shares	32,67,922	32,67,922	84,09,097	32,67,922	84,09,097	32,67,922
	- Percentage of shareholding	10.98%	10.98%	34.66%	10.98%	34.66%	10.98%
2 Promoters and Promoter Group Shareholding							
a) Pledged / Encumbered							
	- Number of shares	-	20,00,000	44,00,000	-	44,00,000	32,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	7.55%	27.76%	0.00%	27.76%	12.08%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	6.72%	18.14%	0.00%	18.14%	10.75%
b) Non - encumbered							
	- Number of shares	2,64,93,951	2,44,93,951	1,14,52,776	2,64,93,951	1,14,52,776	2,32,93,951
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	92.45%	72.24%	100.00%	72.24%	87.92%
	- Percentage of shares (as a % of the total share capital of the company)	89.02%	82.30%	47.20%	89.02%	47.20%	78.27%

B INVESTOR COMPLAINTS

The Company did not receive any investor complaints during the quarter. 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 6 February 2015 and a limited review of the same has been carried out by the Statutory Auditors of the Company.
- The consolidated financials results comprises the financial results of the Company and its subsidiaries.
- Effective 1 April 2014, the Group has revised the useful life of Fixed Assets based on Schedule II to the Companies Act, 2013 for the purpose of providing depreciation on Fixed Assets. Further, in respect of certain IT assets, the group has performed internal and external technical evaluation to assess the useful life and currently, the depreciation is being provided based on higher useful life, than envisaged in Schedule II. Consequently, the depreciation for the three and nine months ended 31 December 2014 is higher by Rs. 45 lakhs and Rs. 107 lakhs respectively. Further, an amount of Rs. 130 lakhs, net of taxes, represents the carrying amount of assets with revised useful life as nil, which has been charged to the opening reserves as on 1 April 2014.
- With respect to certain annual maintenance contracts which are being back to back with respective Original Equipment Manufacturers (OEMs), the Company has recognized the revenue based on billing instead of straight-lining the revenue over the period of the contract for the invoices raised till 30 September 2014. This is a subject matter of qualification in the limited review report for the quarter ended 31 December 2014. The Company has revised the process of revenue recognition prospectively effective 1st October 2014 and necessary corrections have been made.
- During the quarter under review, the company has recognised revenue of Rs. 232 Lakhs with a cost of Rs. 201 Lakhs for shipments made during the quarter whereas the shipment was received by the customer and acknowledgement obtained after the end of the quarter. This is a subject matter of qualification in the limited review report for the quarter ended 31st December 2014.
- 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

N.R. PANICKER
 Executive Chairman

Segment-wise Revenue, Result and Capital Employed

Particulars	Consolidated						Standalone					
	3 Months ended 31 December 2014	Preceding 3 months ended 30 September 2014	Corresponding 3 months ended 31 December 2013 in the previous year	Year to date figures for current period ended 31 December 2014	Year to date figures for the previous year ended 31 December 2013	Previous year ended 31 March 2014	3 Months ended 31 December 2014	Preceding 3 months ended 30 September 2014	Corresponding 3 months ended 31 December 2013 in the previous year	Year to date figures for current period ended 31 December 2014	Year to date figures for the previous year ended 31 December 2013	Previous year ended 31 March 2014
1. Segment Revenue												
Systems Integration	6,909	6,720	5,098	18,009	13,964	22,276	4,014	4,442	2,836	10,735	7,710	12,136
Infrastructure Management Services	1,853	2,511	2,259	7,182	7,067	9,318	1,855	2,511	2,259	7,182	7,067	9,318
Software Services	2,010	1,808	1,778	5,650	5,330	7,204	1,440	1,280	1,340	4,360	3,900	5,249
Warranty Management Services	690	760	794	2,009	2,199	2,977	690	760	794	2,009	2,199	2,977
Training	79	92	51	271	282	359	-	-	-	-	-	-
Net Sales / Income from Operations	11,541	11,891	9,980	33,321	28,802	42,134	7,997	8,993	7,219	24,186	20,836	29,680
2. Segment result												
Systems Integration	861	526	138	1,513	202	603	338	162	71	549	24	221
Infrastructure Management Services	(74)	580	546	1,088	1,933	1,482	(74)	381	471	1,088	1,708	1,483
Software Services	256	190	184	625	616	569	211	176	140	675	596	814
Warranty Management Services	(67)	(10)	16	(128)	167	121	(67)	(10)	(15)	(128)	77	121
Training	5	19	(61)	9	(64)	(86)	-	-	-	-	-	-
Total	979	1,305	843	3,107	2,854	2,689	428	909	667	2,181	2,105	2,639
Less: (i) Interest expenses	667	554	667	1,677	1,826	2,441	564	516	656	1,576	1,762	2,327
Less: (ii) Other non-cash expenses	288	337	209	772	1,126	245	290	295	250	770	560	251
Add: Other income	37	43	211	93	442	516	29	21	4	52	200	234
Total Profit/(Loss) Before Tax	121	457	178	751	341	519	(397)	119	10	(110)	283	295
3. Capital Employed (Segment assets - Segment Liabilities)												
Systems Integration	5,663	6,260	4,462	5,663	4,462	5,660	3,644	4,614	2,173	3,644	2,173	4,037
Infrastructure Management Services	3,353	2,808	2,064	3,353	2,064	2,436	3,353	2,899	2,064	3,353	2,064	2,436
Software Services	1,636	1,941	2,347	1,636	2,347	1,653	844	1,050	366	844	366	3,054
Warranty Management Services	844	1,050	366	844	366	813	844	1,050	366	844	366	813
Training	(838)	(423)	75	(838)	75	380	-	-	-	-	-	-
Unallocated	2,835	1,723	3,132	2,835	3,132	1,926	1,350	1,723	3,132	1,450	3,132	1,926
Total Capital Employed	13,493	13,460	12,446	13,493	12,446	12,868	11,919	12,407	9,780	11,919	9,780	12,266

For Accel Frontline Limited

N.R. PANICKER
 Executive Chairman

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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 2014 and the year to date results for the period 01 April 2014 to 31 December 2014 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 more fully disclosed in note 4 to the result, till the period ended 30 September 2014 the Company had recognized revenue from certain annual maintenance contract services using a method which in our opinion is contrary to the principles of revenue recognition as laid down under the Accounting Standard (AS) - 9 'Revenue Recognition'. Had the Company followed the correct accounting treatment during the current quarter for the contracts referred to above, the net income from operations for the quarter and nine months ended 31 December 2014 would have been higher by ₹ 607 lakhs and ₹ 359 lakhs respectively and the prior period expenses for the quarter and nine months then ended would have been ₹ 1,681 lakhs and ₹ 1,433 lakhs respectively. Further, the loss from ordinary activities after tax would have been higher by ₹ 930 lakhs for the quarter ended 31 December 2014 and the profit from ordinary activities after tax would have been lower by ₹ 930 for the nine months period then ended. Our review report for the quarter and six months ended 30 September 2013 was also qualified in respect of the aforesaid matter*



4. Further, as discussed in note 5 to the result, during the quarter and nine months ended 31 December 2014, the Company recognized net income from operations amounting to ₹ 232 lakhs, however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 - 'Revenue Recognition'. Had the Company followed the principles of AS 9, the net income from operations for the quarter and nine months ended 31 December 2014 would have been lower by ₹ 232 lakhs and the changes in inventories of finished goods and stock in trade for the quarter and nine months then ended would have been lower by ₹ 201 lakhs. Further, the loss from ordinary activities after tax would have been higher by ₹ 31 lakhs for the quarter ended 31 December 2014 and the profit from ordinary activities after tax would have been lower by ₹ 31 lakhs for the nine months period then ended.
5. Based on our review conducted as above and upon consideration of reports of other auditors, except for the effects of qualifications as described in paragraphs 3 and 4 above, 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 read with Rule 7 of the Companies (Accounts) Rules, 2014 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.
6. 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 ₹ 4,019 lakhs and net profit after tax and prior period items (after eliminating intra-group transactions) of ₹ 499 lakhs for the quarter ended 31 December 2014. 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.
7. The review of financial results for the three months period ended 30 June 2014 included in the Statement was carried out and reported by K. S. Aiyar & Co vide their unqualified review report dated 13 August 2014 whose review report has been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not qualified in respect of this matter.

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

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



Chennai
 06 February 2015

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Review Report

To the Board of Directors of Accel Frontline Limited

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 2014 and the year to date results for the period 01 April 2014 to 31 December 2014 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 more fully disclosed in note 4 to the result, till the period ended 30 September 2014 the Company had recognized revenue from certain annual maintenance contract services using a method which in our opinion is contrary to the principles of revenue recognition as laid down under the Accounting Standard (AS) - 9 'Revenue Recognition'. Had the Company followed the correct accounting treatment during the current quarter for the contracts referred to above, the net income from operations for the quarter and nine months ended 31 December 2014 would have been higher by ₹ 607 lakhs and ₹ 359 lakhs respectively and the prior period expenses for the quarter and nine months then ended would have been ₹ 1,681 lakhs and ₹ 1,433 lakhs respectively. Further, the loss from ordinary activities after tax would have been higher by ₹ 930 lakhs for the quarter and nine months period ended 31 December 2014. Our review report for the quarter and six months ended 30 September 2013 was also qualified in respect of the aforesaid matter*



4. Further, as disclosed in note 5 to the result, during the quarter and nine months ended 31 December 2014, the Company recognized revenue from operations amounting to ₹ 232 lakhs, however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 - 'Revenue Recognition'. Had the Company followed the principles of AS 9, the net income from operations for the quarter and nine months ended 31 December 2014 would have been lower by ₹ 232 lakhs and the changes in inventories of finished goods and stock in trade for the quarter and nine months then ended would have been lower by ₹ 201 lakhs. Further, the loss from ordinary activities after tax would have been higher by ₹ 31 lakhs for the quarter and nine months period ended 31 December 2014.
5. Based on our review conducted as above, except for the effects of qualifications as described in paragraphs 3 and 4 above, 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 read with Rule 7 of the Companies (Accounts) Rules, 2014 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.
6. The review of financial results for the three months period ended 30 June 2014 included in the Statement was carried out and reported by K. S. Aiyar & Co vide their unqualified review report dated 13 August 2014 whose review report has been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not qualified in respect of this matter.

Walker Chandiook & Co LLP

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

Somesh E S
per Somesh E S
Partner
Membership No. 206931



Chennai
06 February 2015