Annexure I

Accel Frontline Limited
Regd Office: 75, Nelson Manickam Road, Aminjikarai, Chennai - 600 029
CIN No: L30006TN1995PLCO31736
Statement of Unaudited results for the Third Quarter and Nine Months ended 31 December 2014

t of excise duty) +(b) (c) (d) (d) (d) (d) (d) (d) (d	No Particulars	cno	3 Months ended 31		Preceding 3 Corre	Preceding 3 Corresponding months ended 3 months ended	CONSOLIDATED Preceding 3 Corresponding Year to date months ended 3 months ended figures for	CONSOLIDATED CONSOLIDATED Preceding 3 Corresponding Year to date Perceding 3 months ended figures for figures for the	CONSOLIDATED Preceding 3 Corresponding Year to date Year to date Previous year months ended 3 months ended figures for figures for the ended 31	CONSOLIDATED CONSOLIDATED CONSOLIDATED Preceding 3 Corresponding Year to date Vear to date Previous year 3 Months months ended 3 months ended figures for he ended 31 ended 31	CONSOLIDATED CONSOLIDATED Preceding 3 Corresponding Year to date Year to date Previous year 3 Months Preceding 3 Corresponding to the conded 31 months ended 3 months ended 4 months ended 4 months ended 4 months ended 5 months ended 5 months ended 5 months ended 5 months ended 6 months ended 6 months ended 8 months ended 8 months ended 9 months end	CONSOLIDATED CONSOLIDATED STANDALA Preceding 3 Corresponding Year to date Year to date Previous year 3 Months Preceding 3 Corresponding Year to date Gures for the ended 31 months ended 3 months ended 4 months ended 4 months ended 4 months ended 4 months ended 5 months ended 5 months ended 5 months ended 5 months ended 6 months ended 6 months ended 6 months ended 6 months ended 8 months ended 8 months ended 9 months ende	CONSOLIDATED CONSOLIDATED STANDALONE Preceding 3 Corresponding Year to date Year to date months ended 3 months ended figures for figures for the ended 31 months ended 3 months ended 6 figures for figures figures for figures figures for figures
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11,541 11 11,541 1 11,541 1 42 5,180 59 2,899 3,25 973 1,372 10,380 10 801 97 728 607 121 33 40 (00) (00) (00) (2,976 (00)		(Reviewed)	(Reviewed)	1	(Reviewed)	(Reviewed) (Re	(Reviewed) (Reviewed) (R.	(Reviewed) (Reviewed)	(Reviewed) (Reviewed) (Reviewed)	(Reviewed) (Reviewed) (Reviewed) (Audited) ((Reviewed) (Reviewed) (Andited) (Reviewed)	(Reviewed) (Reviewed) (Reviewed) (Audited) (Reviewed) (Reviewed)	(Reviewed) (Reviewed) (Reviewed) (Audited) (Reviewed) (Reviewed) (Reviewed) (Reviewed) (Reviewed)
11,541 1. 42 5,180 5,180 3,25 973 1,375 10,380 10,380 10 691 691 728 697 121 121 132 (101) (2,976 (2,976 1,577 121 121 132 (101) (2,976	rations (Net of excise duty)	11,541			086'6	9,980	9,980 33,321	9,980	9,980 33,321 28,802	9,980 33,321 28,802 42,134	9,980 33,321 28,802 42,134 7,997	9,980 33,321 28,802 42,134 7,997 8,993	9,980 33,321 28,802 42,134 7,997 8,993 7,219
42 5,180 59 2,899 3,25 30,25 10,380 1) (a)+(b)	11,541		100	1 9,980	9,980	9,980 33,321	9,980	9,980 33,321 28,802	9,980 33,321 28,802 42,134	9,980 33,321 28,802 42,134 7,997	9,980 33,321 28,802 42,134 7,997 8,993	9,980 33,321 25,802 42,134 7,997 8,993 7,219
5,180 5,18	consumed	42			11		11 113 168	113	113 168 72	113 168 72	113 168 72 42 85	113 168 72 42 85	113 168 72 42 85 11
e 2,899 iton expense 2,899 iton expense 325 uncong cost 1,372 uncong cost 1,372 uncong cost 1,372 activities before finance costs(1-2) activities before transce costs(3+4) activities before ux (5-6) 221 231 332 333 37 38 39 39 307 310 310 32 34 35 36 37 38 39 307 310 310 32 34 35 36 37 38 39 307 310 310 32 34 35 36 37 38 39 307 310 310 32 34 35 36 37 38 39 307 307 309 309 (101) 2,976 1.2976	k-in-trade	5,180	- 63		3,162		13,610	13,610 9,784 17	13,610 9,784	13,610 9,784 17,602 3,465 3,	13,610 9,784 17,602 3,465 3,790 2	13,610 9,784 17,602 3,465 3,780 2,748 9	13,610 9,784 17,602 3,465 3,790 2,748 9,483
ison expense 973 unching cost 1,372 (4(4)+(s)+(f)+(g) 10,350 10 na before other meome, finance costs(1-2) 91 activities before finance costs(3+4) 691 activities before tax (5-6) 121 s but before minority interest (7-8) 95 priod (9+10) (10) 1.0550 10 901 1.21 2.976 1.22 1.001 2.976	enefits expense	2,899			2,376	2,376 8,46	8,463	8,463 7,100 1	8,463 7,100 9,394	8,463 7,100 9,394 1,914	8,463 7,100 9,394 1,914	8,463 7,100 9,594 1,914 2,003	8,463 7,100 9,394 1,914 2,003 1,579
1,372 1,37	on and amortisation expense	325			288		870	870 806	870 806 1,107	870 806 1,107 290	\$70 806 1,107 200 239	870 806 1,107 200 239 247	870 806 1,107 290 239 247 758
10,850 1	expenses	1,372			1,307		1,307 4,118 3,853	4,118 3,853	4,118 3,853 8,128	4,118 3,853 8,128	4,118 3,853 8,128 1,121	4,118 3,853 8,128 1,121 1,126	4,118 3,853 8,128 1,121 1,126 1,004
na before other income, finance costs(1-2) grivities before finance costs(3 + 4) activities before tax (5-6) activities before tax (5-6) 221 33 34 35 36 37 121 291 36 37 37 121 121 295 30 (10) (10) (297) 1 reserves as per the balance sheet of previous	expenses $(a)+(b)+(c)+(d)+(c)+(f)+(g)$	10,850			9,346		30,986	30,986 2	30,986 27,077 39,690	30,986 27,077 39,690 7,859	30,986 27,077 39,690 7,859 8,379	30,986 27,077 39,690 7,859 8,379 6,557	30,986 27,077 39,690 7,859 8,379 6,557 22,772
activities before finance costs(3+4) activities before ux (5-6) activities before ux (5-6) 207 308 309 3132 (100) (100) (2.97% (accivities before ux (7-8) (2.97% (accivities before ux (5-6) (accivities before ux (5-6) (b) (c) (c) (c) (c) (c) (c) (c	it/(Loss) from operations before other income, finance costs(1-2)	691			634		2,335	2,335 1,725	2,335 1,725 2,444	2,335 1,725 2,444 138	2,335 1,725 2,444 138 614	2,335 1,725 2,444 138 614 662	2,335 1,725 2,444 138 614 662 1,414
activities before finance cose(3+4) activities before uax (5-6) activities before uax (5-6) 36 96 132 s but before minority interest (7-8) riod (9+10) riod (9+10) (100) (2,976 (200 annualised):	Cuscome	37			211		93		93 442 516	93 442 516 29	93 442 516 29 21	93 442 516 29 21 4	93 442 516 29 21 4 52
activities before tax (5-6) activities before tax (5-6) 121 36 96 98 132 (II) (99) riod (9+10) reserves as per the balance sheet of previous	U(Loss) from ordinary activities before finance costs(3 + 4)	728			845	845 2,42	2,428	2,428 2,167	2,428 2,167	2,428 2,167 2,960 167	2,428 2,167 2,960 167	2,428 2,167 2,960 167 635 666	2,428 2,167 2,960 167 635 666
21 36 36 36 36 36 36 36 3	ICC COSTS	907			667		1,677	1,677 1,826 2	1,677 1,826 2,441	1,677 1,826 2,447 564	1,677 1,826 2,441 564 516	1,677 1,826 2,447 564 516 656	1,677 1,826 2,441 564 516 656 1,576
36 96 132 (10) 2976 2979 2979 2979 2979 2979 2979	it/(Loss) from ordinary activities before tax (5-6) expense	121			78		751		751 341 519	751 341 519	751 341 519 (397)	751 341 519 (397) 119	751 341 519 (397) 119 10
96 98 132 (11) (11) (11) (12) (13) (13) (13) (13) (13) (14) (15) (15) (15) (16) (17) (17) (17) (17) (17) (17) (17) (17	urrent tax	36			(8)	(8)	79	79 74	79 74 24	79 74 24 (4)	79 74 24 (4)	79 74 24 (4) 4	79 74 24 (4) 4 (8)
s but before minority interest (7-8) (10) (90) (90) (90) (101) (2.976 (2	Deferred tax	96			12		123	123	123	123 (7) 46	123 (7) 46 95 18	123 (7) 46 95 18	123 (7) 46 95 18 12
riod (9+10) (20) (20) (20) (20) (20) (20) (20) (2	et Profit/(Loss) after taxes but before minority interest (7-8)	(1)			174		549	549 274	549 274 449 (549 274 449 (488)	549 274 449 (488)	549 274 449 (488) 97 6	549 274 449 (488) 97 6 (233)
riod (9+10) (100) 2,976 2,976 2,976 2) (not annualised):	Minority interest	(90)			22		(177)	(177) 26	(177) 26 (112)	(177) 26 (112)	(177) 26 (112)	(177) 26 (112)	(177) 26 (112)
2,976 2,976 2,976 2,976	Net Profit/(Loss) for the period (9+10)	(101)			196		372		372 300 337	372 300 337 (488)	372 300 337 (488)	372 300 337 (488) 97 6	372 300 337 (488) 97 6 (233)
reserves as per the balance sheet of previous (root annualised);	Lup equity share capital	2,970			2,426	2,426 2,97	2,976	2,976 2,426	2,9% 2,426	2,976 2,426 2,976	2,976 2,426 2,976 2,976	2,976 2,426 2,976 2,976 2,976	2,976 2,426 2,976 2,976 2,426
ı) (not annualised):	e value per share Ks. III) rves excluding revaluation reserves as per the balance sheet of previous							9,271	9,271	9,271	9,271	9,271	9,271
	ourting year arnings Per Share (EPS) Face value of Rs. 10/- each) (not annualised);												

For Accel Frontline Limited

N.R. PANICKER

Executive Chairman

Accel Frontline Limited

CIN No: L30006TN1995PLCO31736 Regd Office: 75, Nelson Manickam Road, Aminjikarai, Chennai - 600 029

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

	b) Non – encumbered b) Non – encumbered - Number of shares - Percentage of shares	- Percentage	2 Promoters and Pro a) Pledged / Encur - Number of shares - Percentage of share	A PARTICULARS OF 1 Public shareholding - Number of shares - Percentage of shareh	SI No Particulars
Promoter and Promoter group) - Percentage of shares (as a % of the total share capital of the	company) b) Non – encumbered b) Non – encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of the	promotet and promotet group) - Percentage of shares (as a % of the total share capital of the	2 Promoters and Promoter Group Shareholding a) Pledged / Encumbered - Number of shares - Pencentage of shares (as a % of the total shareholding of	A PARTICULARS OF SHAREHOLDING 1 Public shareholding - Number of shares - Percentage of shareholding	Ť
89,02%	2,64,93,951 100.00%	0.00%	0.00%	32,67,922 10.98%	3 Months ended 31 December 2014
82.30%	2,44,93,951 92,45%	6.72%	20,00,000 7.55%	32,67,922 10.98%	Preceding 3 months ended Corresponding 3 months 30 September 2014 ended 31 December 2013 in the previous year
47.20%	1,14,52,776 72,24%	18.14%	44,00,000 27.76%	84,09,097 34.66%	Corresponding 3 months ended 31 December 2013 in the previous year
89.02%	2,64,93,951 100,00%	0.00%	0.00%	32,67,922 10.98%	Year to date figures for current period ended 31 December 2014
47.20%	1,14,52,776 72,24%	18.14%	44,00,000 27.76%	84,09,097 34,66%	Year to date figures for the previous year ended 31 December 2013
78.27%	2,32,93,951 87,92%	10.75%	32,00,000 12,08%	32,67,922 10,98%	Previous year ended 31 March 2014 ··

B INVESTOR COMPLAINTS

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

- 1. 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
- 2. The consolidated financials results comprises the financial results of the Company and its subsidiaries.
- by Rs. 45 lakhs and Rs. 107 lakhs respectively. Further, an amount of Rs. 139 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. 3. Effective I 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
- October 2014 and necessary corrections have been made. 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 4. 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
- 5. 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.
- 6. The figures for the corresponding previous periods have been segrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.



Accel Frontine Limited
SCIN No: L30006TN1995PLCO31736
Segment-wise Revenue, Result and Capital Employed

(Rs. In Lakhs)

			Consol	Consolidated					Slar	Standatione		
Particulars	3 Months ended Preceding 3 31 December 2014 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 Preceding 3 31 December 2014 months ended 30 September 2014	Preceding 3 months ended 30 September 2014	Preceding 3 Corresponding 3 months ended 30 months ended 31 December 2014 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
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
L Segment Revenue Switchs Integration	6,909	6,720	5,098	18,009	13,964		4,014	4,442	2,826	10,735	7,710	12,136
Telesconson Managoment Sermone	1.853	2.511	2 259	7.182	7.067		1.853	2.511	2 259	7.182	7,067	9318
Software Services	2010	1,808	1,778	5,850	5,330	7,204	1,440	1,280	1,340	4,260	3,900	5,249
Warranty Management Services	690	760	794	2,009	2,159		. 690	760	794	2,009	2,159	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						3			1			
Systems Integration	200	020	277	1,088	1 023	1 485	738	581	471	1 088	1708	1 489
Software Services	256	190	184	625			900	176	140	675	596	814
Warniny Management Services	(67)	(10)	16	(128)	167	121	(67)	(10)	(15)	(128)	77	121
Training	Lon	19	(61)	9								
Total	979	1,305	843	3,107		38		909	667	2,184	2,405	2,639
Less: (i)Interest expenses	607	554	667	1,677			564	516	656	1,576	1,762	2,327
Less: (ii)Other unallocable expenses	288	337	209	772	1,129		290	295	Us.	770	560	251
Add : Other income	37	45	211	93	442	516	23	21	4	52	200	234
Total Profit/(Loss) Before Tax	121	457	178	751	341		(397)	119	10	(110)	283	295
3.Capital Employed (Segment assets - Segment Liabilities)												
Systems Integration	5,663	6,360	4,462	5,663	4,462		3,644	4,614	2,173	3,644	2,173	4,037
Infrastructure Management Services	3,353	2,809	2,064	3,353	2,064	2,436	3,353	2,809	2,064	3,353	2,064	2,436
Software Services	1,636	1,941	2,347		2,347		2,628	2,211	2,045	2,628	2,045	3,054
Wacaarty Management Services	844	1,050	366				844	1,050	366	844	366	813
Training	(838)	(423)	75	(838)	75		100					Ve
Unallocated	2,835	1,723	3,132		100		1,450	1,723	3,132	1,450	3,132	1,926
Total Capital Employed	13,493	13,460	12,446			15	11,919	12,407	9,780	11,919	9,780	1

For Accel Frontline Limited

N.R. PANICKER

Executive Chairman

Walker Chandiok & Co LLP

Annexure II

Walker Chandiok & Co LLP (Formerly Walker, Chandiok & Co) Arihant Nitco Park, 6th Floor No. 90, Dr. Radhakrishnan Salas Mylapore, Chennas 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 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 kied down under the Accounting Standard (AS) 9 Revenue Recognition'. Had the Company followed the correct ascounting 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 lakins and ₹359 lakins respectively and the prior period expenses for the quarter and nine months then ended would have been ₹1,681 lakins and ₹1,433 lakins respectively. Further, the loss from ordinary activities after tax would have been higher by ₹930 lakins 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 disclosed in now 5 to the result, during the quarter and nine months ended 31 December 2014, the Company recognized net income from operations amounting in ₹232 lakbs, 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 lakbs 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 lakbs. Further, the loss from ordinary activities after tax would have been lower by ₹31 lakbs for the quarter ended 31 December 2014 and the profit from ordinary activities after tax would have been lower by ₹31 lakbs for the nine months period then ended.
- 5. Based on our review conducted as above and upon consideration of reports of other auditors, exapt 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 rax 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.

NNDIO

CHENNA

For Walker Chandiok & Co LLP

Gormerly Walker, Chandink & Co.

Chartered Accountants

Firm Registration No: 001076N/N500013

per Sumesh E-S

Membership No. 206931

Chennai 06 February 2015

Walker Chandiok & Co LLP

Annexure II

Walker Chandiok & Co LLP (Formerly Walker, Chandiok & 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 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.
- 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. Flad the Company followed the correct accounting treatment during the current quarter for the contracts referred to above, the net tocome from operations for the quarter and nine months ended 31 December 2014 would have been higher by ₹607 lakbs and ₹359 lakbs respectively and the prior period expenses for the quarter and nine months then ended would have been ₱₹1,681 lakbs and ₹1,433 lakbs respectively. Further, the loss from ordinary activities after tax would have been higher by ₹930 lakbs 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 prespect of this matter.

CHANDIO

CHENNA

For Walker Chandiok & Co LLP (formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

per Shoresh E S

Partner

Membership No. 206931

Chennai

06 February 2015