

**AFL/SS/SE/46/2017-2018**  
**08<sup>th</sup> September, 2017**

The BSE Ltd.  
P.J. Towers  
Dalal Street  
Mumbai 400 001

**Kind Attention: Mr. Rakesh Parekh**

Dear Sir,

**Sub: Updated Financial Results as per Ind AS and Schedule III of the Companies Act, 2013.**

**Ref.: Your mail dated 17<sup>th</sup> August, 2017 & 31<sup>st</sup> August, 2017.**

With reference to captioned subject, please find the attached updated financial results of the company for the quarter ended 30<sup>th</sup> June, 2017 as per Ind AS and Schedule III of the Companies Act, 2013.

Kindly take on record.

Yours faithfully,

**For Accel Frontline Limited**



**S.Sundaramurthy**  
**Company Secretary**



Encl.: a.a

Accel Frontline Limited

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

Statement of Financial results for the Quarter ended 30 June 2017

S.No	Particulars	Standalone			
		Quarter ended 30 June 2017 (Unaudited)	Quarter ended 30 June 2016 (Unaudited)	Quarter ended 31 March 2017 (Audited)	Year ended 31 March 2017 (Audited)
1	Revenue from operations	14,343	8,362	11,173	36,505
2	Other income	26	20	67	152
3	<b>Total revenue (1+2)</b>	<b>14,369</b>	<b>8,382</b>	<b>11,240</b>	<b>36,657</b>
4	<b>Expenses</b>				
	(a) Cost of raw material and components consumed	229	18	29	189
	(b) Purchases of stock-in-trade and stores and spares	8,826	3,489	5,170	16,882
	(c) Changes in inventories of Stock-in-trade and stores and spares	(56)	(76)	1,182	(105)
	(d) Excise duty recovered on sales	62	3	-	-
	(e) Employee benefits expense	2,316	2,166	2,147	9,234
	(f) Finance costs	523	481	645	2,353
	(g) Depreciation and amortization expense	155	184	311	890
	(h) Other expenses	2,304	2,205	2,714	9,296
5	<b>Total expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	<b>14,359</b>	<b>8,470</b>	<b>12,198</b>	<b>38,739</b>
6	<b>Profit/ (loss) before tax (3-4)</b>	<b>10</b>	<b>(88)</b>	<b>(958)</b>	<b>(2,082)</b>
7	Tax expense:				
	a) Current tax	-	-	-	-
	b) Deferred tax	-	-	-	-
8	<b>Profit/ (loss) for the period (6-7)</b>	<b>10</b>	<b>(88)</b>	<b>(958)</b>	<b>(2,082)</b>
9	<b>Other comprehensive income</b>				
	i) <i>Items that will not be reclassified to profit or loss</i>				
	- Re-measurement gains (losses) on defined benefit plans	17	(22)	-	-
10	<b>Other comprehensive income for the period, net of tax</b>	<b>17</b>	<b>(22)</b>	<b>-</b>	<b>-</b>
11	<b>Total comprehensive income for the period (8+10)</b>	<b>27</b>	<b>(110)</b>	<b>(958)</b>	<b>(2,082)</b>
12	<b>Earnings per equity share (profit/ (loss) after tax)</b>				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.03	(0.30)	(3.22)	(7.00)
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.03	(0.30)	(3.22)	(7.00)
	<b>Earnings per equity share (total comprehensive income)</b>				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.09	(0.37)	(3.22)	(7.00)
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.09	(0.37)	(3.22)	(7.00)



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**Notes**

- 1 The above audited financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 05 August 2017.
- 2 Results for the quarter ended 30 June 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 30 June 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 quarter and year ended 31 March 2017 disclosed in the above results 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 The networth of the company has been fully eroded as on 30 June 2017. However, the company on a standalone basis has total comprehensive income of ₹ 27 lakhs and has made a cash profit of Rs 557 Lakhs for the period ended 30 June 2017. The company has since 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) on 10 July 2017. The company received INR equivalent 900,249,450 as full consideration. Consequent to this, the company's networth stands positive on that date. The Company has also made adequate working capital facilities with various banks, which would enable the Company to meet its obligations and operate over the next 12 months and accordingly the financial results for the period ended 30 June 2017 have been prepared on a going concern basis.
- 5 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 and 30 June 2017.
- 6 The Company has invested an amount of ₹ 790 lakhs in subsidiary named Accel IT Resources Limited (AITRL) and advanced loan (including interest) amounting to ₹ 487 lakhs. AITRL has reported losses during the current year, its net worth is fully eroded as at 30 June 2017 and its current liabilities exceeds current assets by ₹ 457 lakhs. 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.
- 7 Statement of reconciliation of loss after tax under Ind AS and loss after tax reported under previous Indian GAAP (IGAAP) for the quarter ended 30 June 2016 is as follows:

Particulars	₹ In Lakhs	
	Standalone	Quarter ended
	30 June 2016	30 June 2016
<b>Loss after tax as per previous Indian GAAP (A)</b>		<b>(113)</b>
<b>Adjustments:</b>		
Gain on fair valuation of long term loans and advances		2
Reclassification of net actuarial gain on employee defined benefit obligations		22
Premium on financial guarantee contracts		1
<b>Net adjustments (B)</b>		<b>25</b>
<b>Net loss after tax (before Other Comprehensive Income) as per Ind AS</b>		<b>(88)</b>

- 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.

For Accel Frontline Limited

  
Malcolm F. Mehta

Chairman & Chief Executive Officer

Place : Chennai

Date : 05 August 2017

**Accel Frontline Limited**

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

CIN No: L30006TN1995PLCO31736

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**Segment-wise Revenue, Result, Assets and Liabilities**

(Rs. In Lakhs)

Particulars	Standalone			
	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Quarter ended 31 March 2017	Year ended 31 March 2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>1. Segment Revenue</b>				
Systems Integration	9,509	3,652	6,174	17,101
Infrastructure Management Services	3,453	3,193	3,559	13,453
Software Services	907	1,109	990	4,231
Warranty Management Services	474	408	450	1,720
<b>Net Sales / Income from Operations</b>	<b>14,343</b>	<b>8,362</b>	<b>11,173</b>	<b>36,505</b>
<b>2. Segment result</b>				
Systems Integration	324	159	(32)	158
Infrastructure Management Services	531	550	138	1,530
Software Services	(59)	38	(203)	(301)
Warranty Management Services	(61)	(146)	(143)	(456)
Training	-	-	-	-
<b>Total</b>	<b>735</b>	<b>601</b>	<b>(240)</b>	<b>931</b>
Less : (i) Interest expenses	523	481	645	2,353
Less : (ii) Other unallocable expenses	228	227	140	812
Add : Other income	26	20	67	152
<b>Total Profit/(Loss) Before Tax</b>	<b>10</b>	<b>(88)</b>	<b>(958)</b>	<b>(2,082)</b>
<b>3. Segment Assets</b>				
Systems Integration	13,772	6,979	7,895	7,895
Infrastructure Management Services	9,659	8,939	8,930	8,930
Software Services	3,527	3,661	3,499	3,499
Warranty Management Services	1,225	1,230	1,145	1,145
Unallocated	7,929	6,154	7,370	7,370
<b>Total Assets</b>	<b>36,112</b>	<b>26,963</b>	<b>28,839</b>	<b>28,839</b>
<b>4. Segment Liabilities</b>				
Systems Integration	14,274	6,977	8,814	8,814
Infrastructure Management Services	8,418	7,553	8,798	8,798
Software Services	4,561	3,487	2,911	2,911
Warranty Management Services	1,728	1,230	1,351	1,351
Unallocated	12,069	10,720	11,402	11,402
<b>Total Liabilities</b>	<b>41,050</b>	<b>29,967</b>	<b>33,276</b>	<b>33,276</b>

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