

AFL/SN/SE/012/2015-2016
August 04, 2015

National Stock Exchange of India Limited
Exchange Plaza
BandraKurla Complex
Bandra (E)
Mumbai-400051

Bombay Stock Exchange Ltd
P.J. Towers
Dalal Street
Mumbai 400 001

Dear Sir,

Sub: Outcome of the Board Meeting held on 04.08.2015 pursuant to the provisions of Clause 41 of the Listing Agreement.

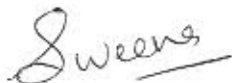
We are pleased to inform you that the Board of Directors at its meeting held on August 04, 2015 have taken the following decisions.

- Considered and Approved Stand-Alone and Consolidated Un Audited Financial results for the Quarter ended 30.06.2015 on the recommendation of the Audit Committee. Copy of the results is enclosed as Annexure – I

- A Copy of the Limited Review Report from the Auditors is also attached as Annexure II

Kindly take the same on record.

Yours faithfully,
For Accel Frontline Limited



Sweena Nair
Company Secretary.

Encl: a.a

Statement of Unaudited results for the Quarter ended 30 June 2015

SI No	Particulars	₹ in Lakhs					₹ in Lakhs				
		CONSOLIDATED		STANDALONE		STANDALONE		STANDALONE			
		3 Months ended 30 June 2015	Preceding 3 months ended 31 March 2015	Corresponding 3 months ended 30 June 2014	Previous year ended 31 March 2015	3 Months ended 30 June 2015	Preceding 3 months ended 31 March 2015	Corresponding 3 months ended 30 June 2014	Previous year ended 31 March 2015		
1	Income from Operations (a) Net Sales/Income from operations (Net of excise duty) (b) Other operating income Total Income from Operations (a)+(b)	8,933	15,266	9,889	48,587	5,523	9,831	7,196	34,017		
2	Expenses (a) Cost of raw materials consumed (b) Purchase of stock-in-trade (c) Changes in inventories of finished goods and stock-in-trade (d) Employee benefits expense (e) Depreciation and amortization expense (f) Sub-contracting and outsourcing cost (g) Other expenses Total expense (a)+(b)+(c)+(d)+(e)+(f)+(g)	4 3,869 (291) 3,184 285 1,166 1,505	12 6,613 (198) 5,344 332 1,510 2,211	(14) 3,446 (15) 2,654 270 1,562 1,307	126 18,057 15 11,660 7,334 6,467	4 2,119 (299) 1,519 256 1,341 1,393	12 4,160 (147) 2,161 292 685 1,719	(14) 2,229 40 1,799 229 1,207 1,045	126 13,643 6 7,275 4,050 3,942 5,144		
3	(Loss)/Profit from operations before other income, finance costs and prior period items and tax (1+2)	(870)	1,382	679	5,716	(1,018)	919	661	2,333		
4	Other income (Loss)/Profit from ordinary activities before finance costs and prior period items and tax (3 + 4)	91	55	13	148	59	141	2	193		
5	(Loss)/Profit from ordinary activities before finance costs and prior period items and tax (3 + 4)	(779)	1,437	692	5,864	(959)	1,060	663	2,526		
6	Finance costs	509	579	515	2,355	479	552	495	2,128		
7	(Loss)/Profit from ordinary activities before prior period items and tax (5-6)	(1,288)	858	177	1,609	(1,438)	508	168	398		
8	Prior period items	-	(1,505)	-	(1,505)	-	(1,505)	-	(1,505)		
9	(Loss)/Profit from ordinary activities before tax (7+8)	(1,288)	(647)	177	104	(1,438)	(997)	168	(1,007)		
10	Tax expense (net of deferred tax)	30	(418)	9	(216)	-	(184)	9	(561)		
11	Net (Loss)/Profit after taxes but before minority interest (9-10)	(1,148)	(229)	168	320	(1,438)	(915)	159	(746)		
12	Minority interest	(73)	(218)	(18)	(114)	-	(51)	-	-		
13	Net (Loss)/Profit for the period (11+12)	(1,301)	(447)	150	(434)	(1,438)	(911)	159	(746)		
14	Dividend (face value per share ₹ 10)	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976		
15	Reserves excluding evaluation reserves as per the balance sheet of previous accounting year	(4,627)	(1,571)	0.50	(0.32)	(4.83)	(1.72)	0.53	(2.51)		
16	1. Earnings Per Share (EPS) (of face value of ₹ 10/- each) (not standardized): (a) Basic (b) Diluted	(4.627) (4.627)	(1.571) (1.571)	0.50 0.50	(0.32) (0.32)	(4.83) (4.83)	(1.72) (1.72)	0.53 0.53	(2.51) (2.51)		

For Accel Frontline Limited

N.R. Panicker
Executive Chairman

Select Information for the Quarter ended 30 June 2015

PART II	Particulars	3 Months ended 30 June 2015	Preceding 3 months ended 31 March 2015	Corresponding 3 months ended 30 June 2014	Previous year ended 31 March 2015
A. PARTICULARS OF SHAREHOLDING					
1. Public shareholding					
	- Number of shares	7,352,895	7,352,895	3,267,922	7,352,895
	- Percentage of shareholding	24.11%	24.11%	10.08%	24.11%
2. Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered			3,200,000	
	- Number of shares			12.08%	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	10.75%	0.00%
	b) Non - encumbered				
	- Number of shares	22,408,978	22,408,978	21,238,951	22,408,978
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	87.92%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	75.29%	75.29%	78.23%	75.29%

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 4 August 2015 and a review of the same has been carried out by the Statutory Auditors of the Company.
- The consolidated financial results comprises the financial results of the Company and its subsidiaries.
- Consequent to a change in the software for recording of inventory transactions pertaining to the IMS division, the Company has valued its inventory pertaining to this division 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 qualifications in the limited review report for the quarter ended 30 June 2015 and such report for the year ended 31 March 2015.
- 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 acknowledgment obtained after 31 March 2015. This is a subject matter of qualification in the limited review report for the quarter ended 30 June 2015 and such report for the year ended 31 March 2015.
- The Company has received showcause notice, dated 23 July 2015, from SEBI in response to the application made by the promoter group seeking extension of time and advice on further steps to be taken for divestment of the excess holding of 80,574 (0.29%) equity shares held by promoter group, so as to achieve the Minimum Public Shareholding requirements. The Company is in the process of taking necessary corrective action.
- 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	₹ In Lakhs						₹ In Lakhs					
	CONSOLIDATED			STANDALONE			CONSOLIDATED			STANDALONE		
	3 Months ended 30 June 2015 (Unaudited)	Preceding 3 months ended 31 March 2015 (Audited)	Corresponding 3 months ended 30 June 2014 (Unaudited)	Previous year ended 31 March 2015 (Audited)	3 Months ended 30 June 2015 (Unaudited)	Preceding 3 months ended 31 March 2015 (Audited)	Corresponding 3 months ended 30 June 2014 (Unaudited)	Previous year ended 31 March 2015 (Audited)				
1. Segment Revenue												
Systems Integration	4,329	9,203	4,382	27,212	1,593	4,340	2,280	15,075				
Infrastructure Management Services	2,242	3,593	2,815	10,775	2,242	3,593	2,815	10,775				
Software Services	1,767	1,768	2,032	7,018	1,151	1,242	1,541	5,502				
Warranty Management Services	537	656	560	2,665	537	656	560	2,665				
Training	78	46	100	317	-	656	-	-				
Net Sales / Income from Operations	8,953	15,266	9,889	48,587	5,523	9,831	7,196	34,017				
2. Segment result												
Systems Integration	2	530	134	2,030	(198)	4	29	539				
Infrastructure Management Services	(417)	(231)	582	780	(417)	(231)	582	780				
Software Services	(60)	(104)	222	439	(33)	(70)	290	530				
Warranty Management Services	(85)	(78)	(30)	(221)	(85)	(78)	(50)	(221)				
Training	7	(48)	(6)	(42)	-	-	-	-				
Total	(533)	69	882	2,986	(733)	(375)	851	1,628				
Less : (i) Finance costs	509	579	515	2,255	479	552	495	2,178				
Less : (ii) Other unallocable expenses	260	192	203	765	260	211	190	800				
Add : Unallocable income	34	55	13	138	34	141	2	193				
Total (Loss)/Profit Before Tax	(1,288)	(647)	377	304	(1,438)	(997)	168	(1,107)				
3.Capital Employed (Segment assets - Segment Liabilities)												
Systems Integration	5,329	4,778	5,050	4,778	2,957	2,933	4,181	2,933				
Infrastructure Management Services	2,160	3,885	2,447	3,885	2,760	3,885	2,447	3,885				
Software Services	1,692	1,716	2,290	1,716	2,803	2,841	2,817	2,841				
Warranty Management Services	674	841	859	841	674	841	859	841				
Training	(861)	(869)	317	(869)	-	841	-	841				
Unallocated	2,240	2,643	1,910	2,643	775	905	1,910	905				
Total Capital Employed	11,834	12,994	12,873	12,994	9,960	11,405	12,234	11,405				

For Accel Frontline Limited


N.R. Panicker
 Executive Chairman

Review Report

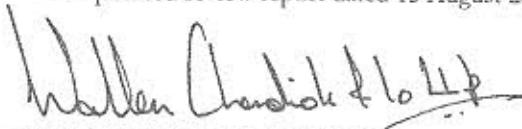
To the Board of Directors of Accel Frontline Limited

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 **30 June 2015** and 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 disclosed in note 3 to the Statement, the Company's inventory comprise of certain items carried at ₹ 3,363 lakhs as at 30 June 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute value the inventory in accordance Company's accounting policy and requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records and in the absence of sufficient appropriate information we are unable to comment on the impact, of the aforesaid matter on the changes in inventories of finished goods and stock-in-trade prior period items for the quarter ended 30 June 2015 and the consequential impact, if any, on the net loss after taxes but before minority interest for the quarter ended 30 June 2015. Our audit report for the previous year ended 31 March 2015 was also qualified in respect of this matter.*
4. *Further, as disclosed in note 4 to the Statement, revenues aggregating to ₹ 397 lakhs pertaining to the quarter ended 30 June 2015 were recognized in the previous year. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – Revenue Recognition, the net income from operations for the quarter ended 30 June 2015, changes in inventories of finished goods and stock in trade and prior period items would have been higher by ₹ 397 lakhs, ₹ 368 lakhs and ₹ 29 lakhs respectively. Similarly, the net income from operations, the changes in inventories of finished goods and stock in trade, net loss from ordinary activities before tax for the quarter and year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs and ₹ 29 lakhs respectively. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter*



Walker Chandiook & Co LLP

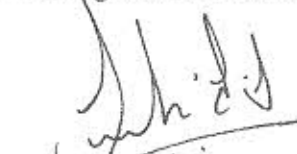
5. Based on our review conducted as above and upon consideration of reports of other auditors, *except for the effects of qualifications as described in the previous paragraphs 3 and 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance 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 net income from operations (after eliminating intra-group transactions) of ₹ 3,990 lakhs and net profit after tax but before minority interest (after eliminating intra-group transactions) of ₹ 120 lakhs for the quarter ended 30 June 2015. 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 unaudited consolidated 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.



For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per Sumesh E S

Partner

Membership No. 206931



Chennai

4 August 2015

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co
Arhant Nitco Park, 6th Floor
No. 90, Dr. Radhakrishnan Satai
Mylapore, Chennai 600004
India

Review Report

To the Board of Directors of Accel Frontline Limited

T +91 44 4294 0000
F +91 44 4294 0044

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Accel Frontline Limited** ("the Company") for the quarter ended **30 June 2015** 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 disclosed in note 3 to the Statement, the Company's inventory comprise of certain items carried at ₹ 3,363 lakhs as at 30 June 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute value the inventory in accordance Company's accounting policy and requirements of Accounting standard (AS) 2 – Valuation of Inventories. Owing to the nature of the Company's records and in the absence of sufficient appropriate information we are unable to comment on the impact, of the aforesaid matter on the changes in inventory of finished goods and stock-in-trade and prior period items for the quarter ended 30 June 2015 and the consequential impact, if any, on the net loss after tax for the quarter ended 30 June 2015. Our audit report for the previous year ended 31 March 2015 was also qualified in respect of this matter.*
4. *Further, as disclosed in note 4 to the Statement, revenues aggregating to ₹ 397 lakhs pertaining to the quarter ended 30 June 2015 were recognized in the previous year. Had the Company followed the accounting principles as laid down under Accounting Standard 9 – 'Revenue Recognition', the net income from operations for the quarter ended 30 June 2015, changes in inventories of finished goods and stock-in-trade and prior period items would have been higher by ₹ 397 lakhs, ₹ 368 lakhs and ₹ 29 lakhs respectively. Similarly, the net income from operations, the changes in inventories of finished goods and stock-in-trade, net loss from ordinary activities before tax for the quarter and year ended 31 March 2015 would have been lower by ₹ 397 lakhs, ₹ 368 lakhs and ₹ 29 lakhs respectively. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.*



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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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 the unaudited 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.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Sunesh E S

per **Sunesh E S**
Partner

Membership No. 206931



Chennai

4 August 2015