

INDEPENDENT AUDITOR'S REPORT

To the members of **Accel Frontline DMCC (Formerly Accel Frontline JLT), Dubai**

We have audited the attached Balance Sheet of ACCEL FRONTLINE DMCC (FORMERLY ACCEL FRONTLINE JLT), Dubai (hereinafter referred to as the company") as at 31st March 2016 and related Statement of Profit and Loss for the year ended on that date annexed thereto and a summary of accounting policies and other explanatory information. These financial statements have been prepared by the Company's management as per Generally Accepted Accounting Principles adopted in India for the purpose of consolidating the company's financials with that of the holding company.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the company in accordance with the Generally Accepted Accounting Principles adopted in India; this includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the ICAI. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

S.K.RAM ASSOCIATES

Chartered Accountants
Old No. 57/2, New No. 103
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Chennai 600 004. INDIA
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Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view of the state of affairs of the company as at 31st March, 2016, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India subject to Note 3.8 and 3.9 of the Notes on accounts to the financial statements.

For S K Ram Associates
Chartered Accountants
ICAI Firm Registration Number: 2842S



R. Balaji
Membership Number: 202916
Place of Signature: Chennai
Date: July 30, 2016



Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

Audited Balance sheet as at*(All amounts in AED lakhs, unless otherwise stated)*

	Notes	31-Mar-16 AED	31-Mar-15 AED
Equity and liabilities			
Shareholders' funds			
Share capital	2.1	3.00	3.00
Reserves and surplus	2.2	9.94	62.04
		12.94	65.04
Non-current liabilities			
Long-term provisions	2.3	11.14	6.12
		11.14	6.12
Current liabilities			
Short-term borrowings	2.4	8.77	11.39
Trade payables	2.5	63.34	87.02
Other current liabilities	2.6	82.34	74.02
		154.45	172.43
TOTAL		178.53	243.59
Assets			
Non-current assets			
Fixed assets	2.7		
Tangible assets - Net		2.66	3.03
Intangible assets - Net		-	17.96
		2.66	20.99
Current assets			
Inventories	2.8	-	1.82
Trade receivables	2.9	119.22	133.09
Cash and bank balances	2.10	3.34	79.91
Short-term loans and advances	2.11	1.63	5.16
Other current assets	2.12	51.68	2.62
		175.87	222.60
TOTAL		178.53	243.59

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4
<i>As per our report of even date</i>	

For S K RAM ASSOCIATES

Firm Registration No.2842S

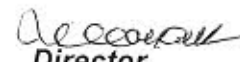
Chartered Accountants


R. Balaji

Membership No.202916

**For and On behalf of the Enterprise**

Director
 MFM


Director
 RN

Place: Chennai, India

Date : 30th July 2016

Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

Audited Statement of Profit and loss account for the year ended

(All amounts in AED lakhs, unless otherwise stated)

	Notes	31-Mar-16 AED	31-Mar-15 AED
Continuing operations			
Income			
Revenue from operations	3.1	441.82	347.55
Total revenue (I)		441.82	347.55
Expenses			
Purchase of traded goods	3.2	335.20	211.33
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	3.3	-	0.61
Cost of Services		0.25	24.92
Employee benefit expenses	3.4	54.82	50.58
Other expenses	3.5	26.45	25.02
Total (II)		416.72	312.46
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		25.10	35.09
Depreciation and amortization expense	3.6	4.23	4.30
Finance costs (Net)	3.7	1.67	2.41
Profit/(loss) before tax		19.20	28.38
Prior Period Items	3.8	29.77	-
Exceptional Items	3.9	41.52	-
Profit/(loss) for the year from continuing operations		(52.09)	28.38

Significant Accounting Policies 1

Notes to the Statement of Profit and Loss Account 3

Other Notes 4

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants



R. Balaji

Membership No.202916



For and On behalf of the Enterprise



Director

MFM



Director

RN

Place: Chennai, India

Date : 30th July 2016

Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

(All amounts in AED lakhs, unless otherwise stated)

Cash Flow Statement for the year ended	March 31, 2016 AED	March 31, 2015 AED
Cash flows from operating activities		
Net profit / (loss) for the year before tax	(52.09)	28.38
Adjustment for:		
Depreciation on fixed assets	4.23	4.30
Depreciation on account of changes in accounting method	-	(3.77)
Loss / (Profit) on sale of fixed assets	0.26	-
Interest expenses	1.67	2.41
Bad debts written off	1.55	2.48
Operating profit / (loss) before reinvestment of capital	(44.38)	33.80
(Increase)/Decrease in Trade receivables	12.32	(53.01)
(Increase)/Decrease in inventories	1.82	0.61
(Increase)/Decrease in other current assets	(45.53)	(3.95)
Increase/(Decrease) in trade and other payables	(23.68)	36.66
Increase/(Decrease) in other current liabilities	10.71	65.08
Cash generated from / (used in) operations	(88.74)	79.19
Cash flows from investing activities:		
Acquisition of non current assets & CWIP	13.84	0.15
Proceeds from sale of fixed assets	-	-
Net cash flows from/ (used in) investing activities	13.84	0.15
Cash flows from financing activities:		
Proceeds/(Repayment) of term loan for equipment leases	-	(0.41)
Interest paid	(1.67)	(2.41)
Dividend paid on equity shares	-	-
Net cash flows from/ (used in) financing activities	(1.67)	(2.82)
Net Increase/(decrease) in cash & cash equivalents	(76.57)	76.52
Cash & cash equivalents at the beginning of the year	79.91	3.39
Cash & Cash equivalents at end of the year	3.34	79.91

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants

R. Balaji

Membership No.202916



Place: Chennai, India

Date : 30th July 2016

For and On behalf of the Enterprise

M. Mehta,

Director

Mfm

Deccan

Director

RN

Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

2. Notes to the balance sheet

(All amounts in AED lakhs, unless otherwise stated)

2.1. Share capital

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
<u>Issued, Subscribed & Paid up</u>		
1 (March 31, 2014: 1) equity shares of 0.3 million AED	3.00	3.00
Total	3.00	3.00

2.2 Reserves & surplus

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Surplus / (deficit) in the profit and loss account		
Balance as at the beginning of the year	62.04	37.42
Profit / (Loss) For The Year	(52.09)	28.38
Less: Appropriations		
Transfer to general reserve	-	3.76
Total appropriations	-	3.76
Balance as at the end of the year	9.94	62.04
Total	9.94	62.04

2.3. Long-term provisions

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
<u>Provision For Employee Benefits</u>		
Gratuity	7.47	6.12
Leave encashment	3.67	
Total	11.14	6.12

2.4. Short term borrowings

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Unsecured		
Loan from promoters	8.77	11.39
Total	8.77	11.39

2.5. Trade payables

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Outstanding dues other than above	63.34	87.02
Total	63.34	87.02

2.6. Other current liabilities

	As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Unearned service revenue	66.16	-
Liability for expenses	16.18	74.02
Total	82.34	74.02

Liabilities classified as Current liabilities on the balance sheet date are those, which fall due for payment on demand within one year from balance sheet date.

Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

Notes to the Financial Statements (continued)

(All amounts in AED lakhs, unless otherwise stated)

For the year ended March 31, 2016

2.7 Fixed Assets

	Tangible Assets					Intangible Assets	Total
	Air Conditioners	Furniture & fixtures	Office equipments	CAR/VAN	Computers	Computer Software	
Cost							
As at April 1, 2015	0.04	4.75	1.09	2.85	1.17	22.86	32.76
Additions during the year	-	-	-	0.97	0.16	-	1.13
Disposals during the year	-	-	-	(0.70)	-	-	(0.70)
As at March 31, 2016	0.04	4.75	1.09	3.12	1.33	22.86	33.19
Accumulated depreciation							
As at April 1, 2015	0.04	4.37	1.01	0.83	0.62	4.90	11.77
Depreciation for the year	0.00	0.38	0.08	0.29	0.22	17.96	18.93
Amount Transferred to reserve	-	-	-	(0.17)	-	-	(0.17)
Adjust. relating to disposal	-	-	-	-	-	-	-
As at March 31, 2016	0.04	4.75	1.09	0.95	0.84	22.86	30.53
Net book value							
As at March 31, 2016	-	(0.00)	(0.00)	2.17	0.49	-	2.66
As at March 31, 2015	0.00	0.37	0.08	2.02	0.55	17.96	21.00

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Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

2. Notes to the balance sheet

(All amounts in AED lakhs, unless otherwise stated)

2.8. Inventories		As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Traded goods		-	1.82
	Total	<u>-</u>	<u>1.82</u>
Inventories are stated at lower of cost and net realizable value.			
2.9. Trade receivables		As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Unsecured, considered good and outstanding for a period less than six months from the date they are due for payment			
Trade receivables		119.22	133.09
Considered doubtful		<u>119.22</u>	<u>133.09</u>
Less: Provision for doubtful receivables		<u>-</u>	<u>-</u>
	Total	<u>119.22</u>	<u>133.09</u>
Trade and other receivables are stated at the amounts estimated to be realized.			
2.10. Cash and Cash equivalents		As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Cash on Hand		0.08	0.07
Balances with Banks - on current accounts		3.26	79.84
	Total	<u>3.34</u>	<u>79.91</u>
2.11. Short term loans and advances		As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Rent deposits		0.32	4.22
Other loans and advances		1.31	0.94
	Total	<u>1.63</u>	<u>5.16</u>
2.12. Other current assets		As at Mar 31, 2016 AED	As at Mar 31, 2015 AED
Prepaid expenses		51.68	2.62
	Total	<u>51.68</u>	<u>2.62</u>

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Accel Frontline DMCC

Formerly Accel Frontline JLT – United Arab Emirates

3. Notes to the Statement of Profit and Loss account for the year ended
(All amounts in AED lakhs, unless otherwise stated)

3.1 Revenue from operations

	31-Mar-16 In AED	31-Mar-15 In AED
Revenue from operations		
Sale of services	441.82	347.55
Revenue from operations (net)	441.82	347.55

3.2. Purchase of traded goods

	31-Mar-16 In AED	31-Mar-15 In AED
Traded purchases less returns	335.20	211.33
Total	335.20	211.33

3.3. (Increase)/decrease in inventories

	In AED	In AED
Inventories at the end of the year		
Stock in Trade	-	1.82
	-	1.82
Inventories at the beginning of the year		
Stock in Trade	-	2.43
	-	2.43
Net (Increase) / decrease in Inventories	-	0.61

3.4. Employee benefits expense

	31-Mar-16 In AED	31-Mar-15 In AED
Salaries, wages and bonus	42.40	46.24
Contribution to welfare funds	11.93	3.75
Staff welfare expenses	0.50	0.59
Total	54.82	50.58

3.5. Other expenses

	31-Mar-16 In AED	31-Mar-15 In AED
Rent	6.60	6.49
Power and fuel	0.16	0.35
Others	0.46	0.38
Insurance	2.82	1.72
Rates and taxes	0.63	1.45
Communication costs	1.08	1.10
Travelling and conveyance	2.79	3.72
Printing and stationery	0.77	0.12
Freight and forwarding	1.83	4.34
Legal and professional fees	0.78	1.15
Payment to auditor	0.17	0.10
Advertising and sales promotion	0.00	0.46
Sales Commission	0.00	0.54
Bad debts / Advances written off	1.55	2.48
Loss on sale of fixed assets (net)	0.26	0.00
Miscellaneous expenses	6.53	0.61
Total	26.45	25.01

Depreciation and amortization expense

3.6.	31-Mar-16 In AED	31-Mar-15 In AED
Depreciation of tangible assets	4.23	1.03
Amortization of intangible assets	-	3.27
Total	<u>4.23</u>	<u>4.30</u>

Finance costs

3.7.	31-Mar-16 In AED	31-Mar-15 In AED
Interest	0.01	0.32
Bank charges & Commission	1.66	2.09
Exchange Fluctuation in Foreign exchange	-	-
Total	<u>1.67</u>	<u>2.41</u>

Prior Period Items

3.8.	31-Mar-16 In AED	31-Mar-15 In AED
Prior Period Purchases	(101.63)	-
Prior Period Revenue	157.58	-
Liability no longer required written back	(26.18)	-
Total	<u>29.77</u>	<u>-</u>

During the course of preparation of accounts, the management observed that certain transactions were recorded in the books of account without adequate supporting documents, improper adjustments and unrecorded purchases. The impact of all the above, identified thus far has been disclosed as prior period items (which pertain to transactions prior to 31st March 2015) and exceptional items, which in the opinion of the management, are adequate as on date.

Exceptional Items

3.9.	31-Mar-16 In AED	31-Mar-15 In AED
Written off of Debtors	25.02	-
Diminution in Value of Inventories	1.81	-
Impairment of Intangible Assets (See note below)	14.69	-
Total	<u>41.52</u>	<u>-</u>

Note : During the last quarter of the year, the company had performed an impairment analysis over the software IP carried in the books. As the company do not foresee any revenue generation for the intangible asset , the same has been provided as a loss on impairment of intangibles in the books of accounts under the head exceptional items.

During the course of preparation of accounts, the management observed that certain transactions were recorded in the books of account without adequate supporting documents, improper adjustments and unrecorded purchases. The impact of all the above, identified thus far has been disclosed as prior period items (which pertain to transactions prior to 31st March 2015) and exceptional items, which in the opinion of the management, are adequate as on date.

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ACCEL FRONTLINE DMCC
FORMERLY ACCEL FRONTLINE JLT, UAE

(All amounts are in United Arab Emirates Dirham, unless otherwise stated)

4. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016.

4.1. Legal status and business activity:

ACCEL FRONTLINE DMCC, Dubai (Formerly ACCEL FRONTLINE JLT) (the "enterprise") was established as a wholly owned subsidiary of M/s. Accel Frontline Limited, India on 5th October 2002 in the Jebel Ali Free Zone, Dubai, UAE. The enterprise has become a Free Zone Establishment company vide amendment License No.03622 and registration No.01211 Dt.10th October, 2005 & 9th October, 2005 respectively effective from 5th October, 2002. The license has since been transferred to DAFZA vide License No.1886 with effect from March 21, 2010. The license has since been transferred to JLT vide License No.JLT-66246 with effect from August 04, 2011. The enterprise was subsequently registered under Dubai Multi Commodities Centre Authority through the Legal Registrar with effect from February 04, 2015, consequently the enterprise suffix was changed to ACCEL FRONTLINE DMCC in accordance with Dubai Multi Commodities Centre's transition process. The enterprise is licensed to carry on the business of Trading in Computer Software & Hardware, maintenance services and Technical Support.

4.2. Tangible and Intangible Assets:

- a) Cost: The tangible assets represent Office Equipments, Air Conditioners, Furniture & Fixtures & Vehicles. The Tangible assets are stated at cost. Cost includes all expenses directly attributable to bringing the asset to its working condition for its intended use.
- b) Depreciation: Depreciation on tangible assets is computed from the date the assets have been installed and put to use on straight line method at the rates specified here under:
- c) Intangibles are amortised over a period of 7 years being the useful life time of the asset.

Rates:

Air conditioners	: 9.50%
Office Equipments	: 9.50%
Furniture & Fixtures	: 9.50%
Vehicle	: 9.50%
Computers	: 15.83%
Software (Intangible)	: 14.30%

4.3. Share Capital & Reserves:

Particulars	Issued Capital/ Share Application Money	Accumulated profit / Adjustments to Reserves	Total
Balance as at April 1, 2015	300,000	62,03,516	65,03,516
Profit for the year		(52,09,138)	(52,09,138)
Balance as at March 31, 2016	300,000	9,94,378	12,94,378

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