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INDEPENDENT AUDITORS' REPORT

To,
The Members,
Accel IT Resources Limited,

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Accel IT Resources Limited('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules,2014.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating 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 on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its loss and its cash flows for the year ended on that date.

5. Emphasis of Matter

(i) We draw attention to Note No.22 attached to financial statements regarding the going concern status of the company. The Accumulated loss as at the year end exceeds the paid up share capital by Rs. 1,13,15,643/-. The current liabilities as at the year-end exceeds the current assets by Rs.203,42,696 /- However, the Financial Statements are prepared on a going concern basis for the reasons stated therein.

(ii) We draw attention to Note no. 6.1 & 12.1 (a, b & c) attached to financial statements regarding various statutory and other demands aggregating to Rs. 2,08,77,077 respectively. No provision is made in the accounts, since the management is hopeful of successful outcome of the appeals filed against the above demands.

Our opinion is not qualified in respect of the above matters.

6. Report on Other Legal & Regulatory Requirements

(i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(ii) As required by section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of Act, read with Rule 7 of the Companies(Accounts)Rules,2014 .
- e. On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note-26 to the standalone financial statements;
- (ii)The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Chennai
Date : 17-06-2016

For Varma & Varma
Chartered Accountants
FRN. 045525

P.R. Prasanna Varma
Partner
M.No.025854



ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING REPORT ON
"OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT
REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ACCEL
IT RESOURCES LIMITED FOR THE YEAR ENDED 31.03.2016

1.
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies have been noticed on such verification.
 - c) As explained to us, the Company does not have any immovable property, hence relative clause of the order is not applicable.
2. We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the reporting requirements under of the order are not applicable and not commented upon.
4. According to the information and explanations given to us and the records of the company examined by us, the company has not made any investments, granted any loans or given any security for which the provisions of section 185 and 186 of the Act are applicable.
5. The company has not accepted any deposits from the public during the year and hence the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable
6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records u/s 148(1) of the Act in respect of the company's services.
7.
 - a) According to the information and explanations given to us, there are delays in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Service tax and Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty



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of excise, Value Added Tax, Cess and other statutory dues as applicable to the company with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Sales tax, Customs duty, Excise duty, Cess and other statutory dues which were outstanding as at the year end for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the verification of the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited on account of any dispute as at 31st March 2016 is as under:

| Statue | Nature of the dues | Amount | Period to which the amount relates (financial year) | Forum where dispute is pending |
|-------------------|--------------------|---------------|---|---|
| Finance Act, 1994 | Service Tax | Rs. 20,72,125 | 2004-2011 | Commissioner of Central Excise (Appeals), Chennai |

8. In our opinion and according to the information and explanations given to us and based on the records of the Company examined by us, the Company has neither taken any loans or borrowings from banks, financial institution or government nor has dues to debenture.
9. According to the information and explanations given to us and based on the records of the Company examined by us, no monies were raised by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year and hence relative reporting requirements under clause 3(ix) of the Order are not commented upon.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
11. According to the information and explanations given to us and the records of the Company examined by us, no managerial remuneration has been paid or provided in the books and hence relative reporting requirement is not commented upon.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

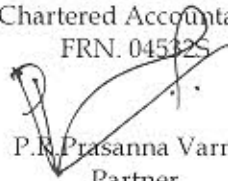


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13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in Note 23 to the standalone financial statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place : Chennai
Date : 17-06-2016

For Varma & Varma
Chartered Accountants
FRN. 045125


P.R. Prasanna Varma
Partner
M.No.025854



ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ACCEL IT RESOURCES LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Accel IT Resources Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 17-06-2016

For Varma & Varma
Chartered Accountants
FRN. 045325


P.R. Prasanna Varma
Partner
M.No.025854



