

**AFL/SS/SE/24/2018-2019**  
**07<sup>th</sup> August, 2018**

The National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra Kurla Complex  
Bandra East  
Mumbai 400 051

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

Dear Sir,

**Sub: Outcome of Board Meeting.**

We are pleased to inform you that the Board of Directors at its meeting held on Tuesday, 07<sup>th</sup> August, 2018 have taken the following decisions:

- Considered and Approved Standalone Unaudited Financial Results for the quarter ended 30/06/2018 on the recommendation of the Audit Committee.
- A Copy of the Limited Review Report from the Auditors for the period ended 30/06/2018.
- Pursuant to Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opted to submit Standalone Financials for the financial year 2018-2019 onwards.
- The Board of Directors has, subject to shareholders approval, passed a resolution approving the alteration of the Articles of Association of the company pursuant to exit of the erstwhile founder promoters from the Company and also to effect changes to the Articles of Association to bring it in conformity with the Companies Act, 2013 as amended from time to time.

The meeting commenced at 10:45 AM and concluded at 04:10 P.M.

Please arrange to take the same on record.

Thanking you

Yours faithfully,

**For Accel Frontline Limited**



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



Encl: as above

## Statement of Financial results for the Quarter ended 30 June 2018

(₹ In Lakhs)

S.No	Particulars	Standalone			
		Quarter ended 30 June 2018	Quarter ended 31 March 2018	Quarter ended 30 June 2017	Year ended 31 March 2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from operations	16,187	9,245	14,343	40,089
2	Other income	71	254	26	635
3	<b>Total revenue (1+2)</b>	<b>16,258</b>	<b>9,499</b>	<b>14,369</b>	<b>40,724</b>
4	<b>Expenses</b>				
	Cost of raw material and components consumed	2	32	229	551
	Purchases of stock-in-trade and stores and spares	11,430	3,478	8,826	18,349
	Changes in inventories of Stock-in-trade and stores and spares	(765)	549	(56)	800
	Excise duty recovered on sales	-	-	62	118
	Employee benefits expense	2,120	2,186	2,316	9,271
	Other expenses	2,460	2,527	2,304	9,526
5	<b>Total Expenses</b>	<b>15,247</b>	<b>8,772</b>	<b>13,681</b>	<b>38,615</b>
6	<b>Profit before finance cost, depreciation and exceptional items (3-5)</b>	<b>1,011</b>	<b>727</b>	<b>688</b>	<b>2,109</b>
	Finance costs	451	476	523	1,810
	Depreciation and amortization expense	151	158	155	643
7	<b>Profit/ (loss) before tax and exceptional item</b>	<b>409</b>	<b>93</b>	<b>10</b>	<b>(344)</b>
8	Exceptional item	-	1,566	-	(6,661)
9	<b>Profit/ (loss) before tax (7-8)</b>	<b>409</b>	<b>(1,473)</b>	<b>10</b>	<b>6,317</b>
10	Tax expense:				
	a) Current tax	85	(184)	-	1,225
	b) Deferred tax	-	-	-	-
11	<b>Profit/ (loss) for the period (9-10)</b>	<b>324</b>	<b>(1,289)</b>	<b>10</b>	<b>5,092</b>
12	<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	27	15	17	59
	- Income tax relating to items that will not be reclassified to profit or loss	5	-	-	-
13	<b>Other comprehensive income for the period, net of tax</b>	<b>22</b>	<b>15</b>	<b>17</b>	<b>59</b>
14	<b>Total comprehensive income for the period (11+13)</b>	<b>346</b>	<b>(1,274)</b>	<b>27</b>	<b>5,151</b>
15	<b>Earnings per equity share (profit/ (loss) after tax)</b>				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	1.09	(4.33)	0.03	17.11
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	1.09	(4.33)	0.03	17.11
	<b>Earnings per equity share (total comprehensive income)</b>				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	1.16	(4.28)	0.09	17.31
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	1.16	(4.28)	0.09	17.31

## Notes

- The above financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 07 August 2018.
- The company has an investment of INR 790 lacs in a subsidiary named Accel IT Resources Limited (AITRL) and has further advanced loan (including interest) amounting to INR 682 lacs to this subsidiary as at 30 June 2018. The net worth of AITRL is negative as at 30 June 2018. The management of the subsidiary has been revamped to restructure operations to optimize revenue generation by investing in technology and adding customer base. A new business plan has been put in place and the subsidiary has got the training centres accredited to National Skill Development Corporation (NSDC). The management of the subsidiary and the Company is of the view that these plans will help to grow business and improve the financial position of the subsidiary thereby enabling the recovery of these investments and loans given alongwith interest. Hence, the management has not created any provision for these interest and outstanding loans. This is a subject matter of qualification in the audit report for the year ended 31 March 2018 and review report for the quarter ended 30 June 2018.
- The Company, during the current quarter, has changed the structure of its internal organisation which caused a change in the composition of reportable segments as follows: System Intergation, Services and WMS. The amount relating to periods previously reported are reclassified or regrouped accordingly.
- The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

Place : Chennai

Date : 07 August 2018



for Accel Frontline Limited

Malcolm F. Mehta  
Chairman and Chief Executive Officer

**Accel Frontline Limited**

Regd Office : Accel Frontline Limited, First Floor, Dowlath Towers New Door Nos 57, 59, 61 &amp; 63, Taylors Road, Kilpauk, Chennai 600 010.

CIN No: L30006TN1995PLCO31736

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

Particulars	(₹ in Lakhs)			
	Standalone			
	Quarter ended 30 June 2018 (Unaudited)	Quarter ended 31 March 2018 (Audited)	Quarter ended 30 June 2017 (Unaudited)	Year ended 31 March 2018 (Audited)
<b>1. Segment Revenue</b>				
Systems Integration	11,466	4,451	9,509	20,800
Services	4,182	4,251	4,360	17,311
Warranty Management Services	539	543	474	1,978
<b>Revenue from Operations (Net)</b>	<b>16,187</b>	<b>9,245</b>	<b>14,343</b>	<b>40,089</b>
<b>2. Segment result</b>				
Systems Integration	390	(307)	324	34
Services	995	(352)	472	795
Warranty Management Services	32	(118)	(61)	(318)
<b>Total</b>	<b>1,417</b>	<b>(777)</b>	<b>735</b>	<b>511</b>
Less : (i) Interest expenses	(451)	(476)	(523)	(1,810)
Less : (ii) Other unallocable expenses	(628)	(335)	(228)	(1,117)
Add : Other income	71	115	26	8,733
<b>Total Profit/(Loss) Before Tax</b>	<b>409</b>	<b>(1,473)</b>	<b>10</b>	<b>6,317</b>
<b>3. Segment Assets</b>				
Systems Integration	17,497	8,073	13,772	8,073
Services	12,241	11,027	13,186	11,027
Warranty Management Services	1,042	1,197	1,225	1,197
Unallocated	7,351	7,837	7,929	7,837
<b>Total Assets</b>	<b>38,131</b>	<b>28,134</b>	<b>36,112</b>	<b>28,134</b>
<b>3. Segment Liabilities</b>				
Systems Integration	16,973	8,002	14,274	8,002
Services	8,714	7,918	12,979	7,918
Warranty Management Services	1,000	1,268	1,728	1,268
Unallocated	10,451	10,298	12,069	10,298
<b>Total Liabilities</b>	<b>37,138</b>	<b>27,486</b>	<b>41,050</b>	<b>27,486</b>

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Walker Chandiook & Co LLP  
7th Floor, Prestige Polygon,  
471, Anna Salai, Teynampet,  
Chennai - 600 018  
India

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

## Independent Auditor's Review Report on Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Accel Frontline Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of Accel Frontline Limited ('the Company') for the quarter ended 30 June 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Engagement (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. We draw attention to Note 2 to the standalone financial results, the company has made investments in its subsidiary company, Accel IT Resources Limited, amounting to INR 790 Lakhs and has given loans to such subsidiary company amounting to INR 682 Lakhs (including interest) which are outstanding as at 30 June 2018. The subsidiary company had incurred losses and its net worth as at 30 June 2018 is fully eroded. The management has drawn up business plan for the subsidiary company and is of the view that it's investment and loans advanced to the subsidiary company will be recovered over the years. However, in the absence of binding agreements and other sufficient appropriate supporting audit evidence in respect of the business projections prepared by the management, we are unable to comment on the carrying value of the aforementioned investments and financial assets – loans as at 30 June 2018, and the impact of any adjustment that may be required to such carrying values on the accompanying standalone financial results.



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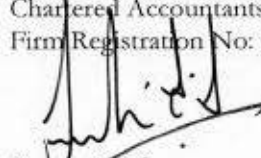
# Walker Chandiook & Co LLP

4. Based on our review conducted as above, except for the possible effects of the matters described in previous paragraph nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

  
Sunesh E S

Partner

Membership No. 206931



Place : Chennai

Date : 7 August 2018

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