Accel Frontline Limited
No. 75, Nelson Manickam Road, Aminijikarai, Chennai 600029 Ph.: 044 - 42252000 Fax: 044-23741271
Email: info@accelfrontline.in Website: www.accelfrontline.in
CIN : L30006TN1995PLC031736

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. N.R. Panicker
Executive Chairman

Mr. Malcolm F Mehta
Executive Director

Mr. R.Ramaraj
Mr. Bin Cheng
Ms. Ruchi Naithani
Mr. Raj Khalid

BOARD COMMITTEES:

AUDIT COMMITTEE:

Mr. R. Ramaraj
Mr. Bin Cheng
Ms. Ruchi Naithani

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Raj Khalid
Mr. Bin Cheng
Mr. R.Ramaraj

NOMINATION AND REMUNERATION COMMITTEE

Ms. Ruchi Naithani
Mr. Bin Cheng
Mr. Raj Khalid

MANAGEMENT TEAM

Mr. Maqbool Hassan (President – ITS & COO)
Mr. R. Ganesh (President – WMS)
Mr. Milind Kalurkar (President – SSD)
Mr. R.Lakshmipathi (Vice President – Corporate HR)
Mr. R. Neelakantan (CFO)(Effective 9th June 2015)
Ms. Sweena Nair (Company Secretary)

STATUTORY AUDITORS

M/s. Walker Chandiok & Co LLP
Chartered Accountants
Arihant Nitco Park, 6th Floor
No.90, Dr. Radhakrishna Salai
Mylapore, Chennai 600 004

INTERNAL AUDITORS

M/s. K.S. Aiyar & Co
Chartered Accountants
54/2 Paulwells Road
St. Thomas Mount
Chennai 600 016

SECRETARIAL AUDITORS

Mr. Soy Joseph
Practising Company Secretary

PRINCIPAL BANKERS

State Bank of India
IDBI Bank Ltd
Axis Bank Ltd
Sumitomo Mitsui Banking Corporation

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Linkintime (India) Pvt. Ltd.
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078

STOCK EXCHANGES WHERE COMPANY'S SHARES ARE LISTED

National Stock Exchange of India Limited
BSE Limited

REGISTERED & CORPORATE OFFICE

Accel House, No.75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029
Tel: +91 44 4225 2000
Fax: +91 44 2374 1271
Email: info@accelfrontline.in
Website: www.accelfrontline.com
CIN : L30006TN1995PLC031736

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NOTICE TO MEMBERS

To

THE MEMBERS OF ACCEL FRONTLINE LIMITED

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of Accel Frontline Limited will be held on Friday, the 25th Day of September, 2015 at "THE MUSIC ACADEMY MINI HALL, TTK ROAD, ALWARPET, CHENNAI - 600 018 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Malcolm F Mehta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. Re-Appointment of Statutory Auditors

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED That pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Chennai, bearing (ICAI Registration No. 001076N), be and are hereby re-appointed as Statutory Auditors of the Company (being second year in the block of five years ending 2019) to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of the appointment every subsequent Annual General Meeting) at such remuneration and out of pocket expenses, as may be decided by the Audit Committee of the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPOINTMENT OF SMT. RUCHI NAITHANI AS AN INDEPENDENT WOMAN DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ("the Act") read with Schedule IV of the Act, Smt. Ruchi Naithani (holding DIN 00531608) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 11th September, 2014 and who holds office upto the date of this AGM in terms of Section 161 of the Companies Act and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director on the Board of Directors of the Company to hold office for a term of five (5) consecutive years, not liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPOINTMENT OF MR. RAJ KHALID AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ("the Act") read with Schedule IV of the Act, Mr. Raj Khalid (holding DIN 00169691) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 5th December, 2014 and who holds office upto the date of this AGM in terms of Section 161 of the Companies Act, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term of five (5) consecutive years, not liable to retire by rotation."

By order of the Board

Place: Chennai
Date : 4th August, 2015

Sweena Nair
Company Secretary

Registered Office:
No. 75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN:L30006TN1995PLC031736

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 in respect of Item No. 3 and Special Business i.e. Item Nos. 4 to 5 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**
4. **Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its registered office not later than 48 hours before the commencement of the AGM.**
5. Corporate members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
6. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
7. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rule, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 20th AGM by electronic means and all the items of the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 18th September, 2015, may cast their vote by electronic means or in the AGM. The user Id and password alongwith detailed instructions for e-voting through the e-voting platform provided by NSDL, forming part of the Notice, is enclosed with this Annual Report.
10. The Company shall also arrange for the voting by use of ballot or polling paper or e-voting at the AGM for the members who have not cast their vote through remote e-voting.
11. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
12. The Notice of 20th AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2015 is uploaded on the Company's website www.accelfrontline.in and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.

    Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
13. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 18th September, 2015 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.
14. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 18th September, 2015 ("Incremental Members") may obtain the User ID and password by either sending an e-mail request to evoting@nsdl.co.in or calling on Toll Free No. 1800-222-990.

    If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
16. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
17. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from 23rd September, 2015 to 25th September, 2015 (both days inclusive).

18. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

19. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's Registrars & Transfer Agents.

20. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agents.

    Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

    The Company has transferred the unpaid or unclaimed dividends declared upto financial year 2007-2008 from time to time on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the IEPF fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Company) Rules 2012, the Company has uploaded the details of Unpaid and Unclaimed amounts lying with the Company as on the 11th September, 2014 (date of the last Annual General Meeting on the website of the Company and also on the website of the Ministry of Corporate Affairs).

21. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

22. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM is forming part of the Explanatory Statement given below. The Directors have furnished the requisite consent / declarations for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.

24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 a.m. to 06:00 p.m.) on all working days except second and fourth Saturdays, up to the date of the AGM of the Company.

25. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

26. Voting through Electronic means-

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through ballot or polling paper or e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through any means made available at the venue.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on 22nd September, 2015 (9:00 am) and ends on 24th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Accel Frontline Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. to the Scrutinizer through e-mail to soy@saspartners.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on Toll Free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2015.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper / polling paper.

XIII. Mr. Soy Joseph, Practising Company Secretary (Membership No. 13852) and Partner of M/s. JM & Associates, Company Secretaries, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.accelfrontline.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.

By order of the Board

Place: Chennai **Sweena Nair**
Date : 4th August, 2015 **Company Secretary**

Registered Office:
No. 75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN:L30006TN1995PLC031736

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s. Walker Chandiok & Co LLP, Chennai (ICAI Firm's Registration No. 001076N), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 11th September, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item no. 3 of the notice.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Ruchi Naithani, as an Additional Director of the Company with effect from 11th September, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Ms. Ruchi Naithani, would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Ruchi Naithani for the office of Director of the Company.

Ms. Ruchi Naithani is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Brief resume of Ms. Ruchi Naithani, nature of her expertise in specific functional areas and names of companies in which she holds directorship and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the **Annexure A** to this notice.

Save and except Ms. Ruchi Naithani none of the director is concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out in Item no. 4 of the notice for approval by the shareholders.

Item No. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Raj Khalid, as an Additional Director of the Company with effect from 5th December, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Raj Khalid, would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Raj Khalid, for the office of Director of the Company.

Mr. Raj Khalid, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Brief resume of Mr. Raj Khalid, nature of his expertise in specific functional areas and names of companies in which he holds directorship and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the **Annexure A** to this notice.

Save and except Mr. Raj Khalid none of the director is concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out in Item no. 5 of the notice for approval by the shareholders.

By order of the Board

Place: Chennai **Sweena Nair**
Date : 4th August, 2015 **Company Secretary**

Registered Office:
No. 75, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
CIN:L30006TN1995PLC031736

ANNEXURE A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. Malcolm F Mehta	Ms. Ruchi Naithani	Mr. Raj Khalid
Date of Birth	4th June, 1968	21st Dec, 1969	5th Dec, 1953
Date of Appointment	7th May, 2014	11th Sept, 2014	5th Dec, 2014
Qualification	MBA from Anaheim University and Diploma in Japanese Business Management from Kumamoto Gakuen University. He holds Level 1 in Japanese Language Proficiency Test (JLPT-1).	Post Graduate in Linguistics from Kumamoto University, Japan and a certification for Japanese language proficiency (Level 1 of Japanese language proficiency and Level J1+ Jetro Business Japanese Proficiency test.)	Post Graduate in Human Resources from K.C College, Bombay.
Expertise	In the field of international business, mergers and acquisitions, planning, strategy and business development.	Has an Expertise in IT industry for more than 12 years and has managed a team of IT professionals and has handled projects for various Japanese clients.	Industry Expertise for 13 years and as a Senior Trade Promotion Adviser to the British Deputy High Commission for 4 years.
Chairmanship/ Directorship of other Companies (excluding Foreign Companies / Section 8 Companies)	a. CAC India Private LTD. b. Accel IT Resources LTD.	a. Naithani To-day Software Systems Private LTD.	a. Raj Khalid Consultancy Private LTD.
Chairmanship/ Directorship of other Public Companies **a. Audit Committee**	**Nil**	**Nil**	**Nil**
b. Shareholders Grievances Committee	**Nil**	**Nil**	**Nil**
c. Nomination and Remuneration Committee	**Nil**	**Nil**	**Nil**
No. of Shares held in the Company	**Nil**	**Nil**	**Nil**

DIRECTORS' REPORT

To
THE MEMBERS OF ACCEL FRONTLINE LIMITED

Your Directors have pleasure in presenting the 20th Annual Report of ACCEL FRONTLINE LIMITED (the Company) Standalone and Consolidated financial statement along with the audited financial statements for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	2015	2014	2015	2014
Sales, services & other income	48,734	42,825	34,209	30,089
Earnings before interest, tax, depreciation and amortization (EBITDA)	5,067	4,242	3,577	3,770
Finance costs	2,255	2,616	2,128	2,503
Depreciation and amortization expense	1,203	1,107	1,050	972
Operating Profit before Tax & Prior Period expenses	1,609	519	399	295
Prior Period Expenses / Income net	1,505	-	1,505	-
Provision for tax (Net)	(216)	70	(361)	50
Profit after tax	320	449	(745)	245
Minority Interest	414	112	-	-
Profit after Minority Interest	**(94)**	**337**	**(745)**	**245**
Balance brought forward from previous year	**1,514**	**1,177**	**1,574**	**1,329**
Amount available for appropriation	**1,420**	**1,514**	**829**	**1,574**
Transfer to Depreciation Reserve	205	-	117	-
Balance carried to Balance Sheet	1,215	1,514	712	1,574

2. DIVIDEND

The Directors have not recommended dividend for the year ended 31st March, 2015 to conserve resources and to augment the long term working capital for future growth.

3. OPERATING RESULTS AND BUSINESS OPERATIONS

For the Financial Year 2014-15, your Company has achieved a revenue of ₹48,734 lakhs on a consolidated basis and ₹34,209 lakhs on a standalone basis. This represents a moderate growth of about 14% on a year to year basis. The EBIDTA on a consolidated basis ₹5,067 lakhs and on a standalone basis stood at ₹3,577 lakhs. The Company had to provide a sum of ₹1,433 lakhs on a consolidated basis and ₹1,433 lakhs on a stand-alone basis on account of the new revenue recognition policy adopted during the year. This resulted in a net loss of ₹94 lakhs on a consolidated basis and ₹745 lakhs on a standalone basis.

4. HUMAN RESOURCES DEVELOPMENT

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. Accel people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year. Employees, whose collective efforts have enabled Accel to achieve its organisational goals and set the base right for the next phase of growth.

Accel has restructured its workforce into various businesses to ensure that every business is operated and supported equally. The human resource policies have evolved to stay relevant to the changing economic and business environment and enhance organizational agility.

Accel Frontline Limited, No. 75, Nelson Manickam Road, Aminjikarai, Chennai 600 029.
CIN : L30006TN1995PLC031736

The Company has a matured talent management process and environment where performance is rewarded and opportunities are provided for career growth and development. Focused initiatives towards work life balance and safety of employees have helped the Company in gaining confidence level of the employees and bring down the attrition levels.

5. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of Sexual harassment complaints received and disposed off during the year 2014-15.

No of complaints:- Nil.

No of Complaints disposed off- Nil.

6. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

Accel believes in sustained efforts to maintain highest levels of quality to enhance customer satisfaction. During the year the company continued to invest in technologies, infrastructure and processes in order to keep our quality management systems updated.

The Company has certifications for:

- ISO 9001:2008 (Quality Management)
- ISO 27001:2005 (Security Management)
- ISO 20000-1:2005
- CMMI Level 3

These quality driven processes help in supporting Accel's global delivery model.

In order to achieve highest levels of quality and robust information security practices, the Company will endeavour to achieve enterprise-wide CMMI Level 5 (for Development) in the near future.

An employee portal exists for knowledge management and sharing useful information within the Company. Regular knowledge and skill up gradation training programs are conducted by internal as well as external knowledge management experts.

7. DOCUMENTS PLACED ON THE WEBSITE (www.accelfrontline.in)

The following documents have been placed on the Company's website in compliance with the Companies Act:

a. Financial Statements of the Company and Consolidated Financial Statements.

b. Separate audited accounts in respect of subsidiaries as per fourth proviso to Section 136(1).

c. Details of Vigil Mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).

d. The Terms and Conditions of appointment of independent directors.

e. Details of unpaid dividend as per Section 124(2).

8. SUBSIDIARY COMPANIES

The Company has subsidiaries operating in Singapore, UAE, Japan, North America and United Kingdom which are not listed in India or abroad as of date. The Company also has a wholly owned unlisted Indian Subsidiary.

The Statutory Audit Report of the Subsidiary Companies for the financial year are placed before the Audit Committee and reviewed by them.

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary Companies may write to the Company Secretary.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial Statement of the subsidiaries is set out in the prescribed Form AOC-1, which forms part of the Annual Report.

9. CORPORATE GOVERNANCE REPORT REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT

As per Clause 49 of the Listing Agreement entered into with the stock exchanges, Corporate Governance Report with Auditors' Certificate on Compliance with the conditions of Corporate Governance are attached and form part of this report.

10. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis and various initiatives and future prospects of the Company are enclosed, separately as **Annexure-II** to this report.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

i. in the preparation of the annual accounts for the financial year 2014-15, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;

iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. AUDITORS AND SECRETARIAL AUDITORS REPORT

The Secretarial Auditor has qualified in his report stating that the office of the Chief Financial Officer was left vacant for a period of more than 6 months from the date of previous vacancy during the year. However, the Company has subsequently appointed a Chief Financial officer on 09.06.2015.

Regarding the opinion expressed by the Statutory Auditors on inventory valuation, the Management is taking steps to work on the software to reflect the exact value of inventory.

Regarding the opinion expressed by the Statutory Auditors on revenue recognition, the Company has been following the policy of recognizing the revenue on account of sale of goods when materials are dispatched from the premises and /or handover the materials to the transporter against the lorry receipt/such other document and pay VAT on such sale. As the Company been following this practice for earlier financial years, it continued the same practice for the current financial year also as the practice meets all the 3 criteria a) prudence, b) substance over form and c) materiality. The management will ensure that the Company will change over to the new revenue recognition policy in the subsequent financial years.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an **Annexure-III** to this Report.

14. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 5th May, 2015 and evaluated the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company considering the views of other Directors. Further details are available in the Corporate Governance Report.

15. EVALUATION OF THE BOARD'S PERFORMANCE

The Board has carried out an evaluation of its own performance, also that of its Directors individually and its Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

16. AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Chennai, bearing (ICAI Registration No.001076N), were appointed as Statutory Auditors for a period of five years till the conclusion of the 24th Annual General Meeting (AGM) , which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 21st AGM of the Company to be held in the year 2016.

17. PARTICULARS OF EMPLOYEES

The information required under section 197 of the Act and rules made there-under, in respect of employees of the Company, is not required to be provided since there are no employees covered under the provision.

18. FIXED DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public were outstanding as on the date of the balance sheet.

19. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board

Place : Chennai — **N.R. Panicker**
Date : 04th August, 2015 — **Executive Chairman**

ANNEXURE - I TO THE DIRECTOR'S REPORT

1. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at **Annexure-IV** in the prescribed form **MGT-9** and forms part of this Report.

2. NUMBER OF MEETINGS OF THE BOARD

8 meetings of the Board of Directors of the Company were held during the year. For details of the meetings, please refer the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTORS' DECLARATION

Mr. R.Ramaraj, Mr. Raj Khalid and Ms. Ruchi Naithani who are Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there have been no change in the circumstances which may affect their status as independent director during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at **Annexure-IV** in the prescribed form MGT-9 and forms part of this Report.

5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

As provided under Clause 49 of the listing agreement with the stock exchanges, all Board members & Senior Management Personnel have affirmed compliance with Accel Frontline Limited's Code of Conduct for the year ended 31st March, 2015.

6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

a) Disclosure on materially significant related party transactions, i.e the Company's transactions that are of material nature, with its promoters, directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interest at large that may have potential conflict with the interests of the Company at large.

   None of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in 31(b) of Summary of significant accounting policies and other explanatory information of standalone financial Statements forming part of the Annual report.

   The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business, exigencies, such as synergy in operations, sectorial specialization and the Company's long term strategy for sectoral investment's, optimization of market share profitability legal requirements, liquidity and capital resources of subsidiaries and associates.

   All related party transactions are negotiated on arm's length basis, and are intended to further the Company's interests.

   The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" referred under Section 188 of the Companies Act, 2013 are set out in the notes to Accounts for the Annual Report. There have been no materially significant related party transactions, which may have potential conflicts with the interest of the company.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Long term loans and advances as at 31st March 2015 include security deposits and deposits with Statutory/Government authorities. Short term loans and advances as at 31st March 2015 include rent and other deposits, advance to associate companies and other loans and advances.

8. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

9. INTERNAL CONTROL

The Company has adequate internal control procedures commensurate with the size and nature of its operations. The internal control systems were further strengthened by internal audit carried by an independent firm of Chartered Accountants and a periodical review by the management. The Audit Committee of the board addresses issues raised by internal auditors and the statutory auditors.

The financial objective of the Company is to bring in efficiencies of operations at all levels so as to maximize return on capital employed and to generate sufficient cash profits to fund on-going expansions and to meet the growth objectives.

The Audit Committee and the Board periodically review performance parameters related to financial performance of the Company to ensure smooth implementation of the internal control systems and efficient management of the various resources. The Audit Committee conducts periodic reviews with the management, internal auditor and the statutory auditor. There is an on-going cost monitoring program to control various expenses and the Board reviews the variance analysis.

10. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS (Weblink: www.accelfrontline.in)

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

12. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report.

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Subsidiaries of the Company are engaged in the business of providing ITES services or business solutions or consulting including business process outsourcing services. There has been no material change in the nature of the business of the subsidiaries. The Company's wholly owned subsidiary consists of:

1. Accel Systems & Technologies PTE Limited, Singapore 2. Accel Frontline, JLT, Dubai, 3. Accel North America, INC, 4. Accel IT Resources Ltd, 5. Network Programs USA INC, 6. Networks Programs (Japan) Inc, USA, 7. Accel Japan KK, Japan, and 8. Accel Technologies Limited, U.K earned revenue of ₹14,525 lakhs during the Financial Year 2014-15 compared to ₹12,736 lakhs during Financial Year 2013-14 registering a growth of 14.26% over the previous financial year. The Net Profits of these subsidiaries grew by 89% on consolidated basis and increased to ₹1,146 lakhs during Financial Year 2014-15 compared to ₹204 lakhs during Financial Year 2013-14.

Financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

14. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

(a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;**

Name of the Non - Executive Director	Ratio to median remuneration	Remuneration paid (₹ in Lakhs)
R.Ramaraj	35.0	5.40
Raj Khalid	3.9	0.60
Ruchi Naithani	25.9	4.00
Steve Ting Tuan Toon	4.5	0.70
Sam Santhosh	3.9	0.60
Alok sharma	7.8	1.20
A.P. Parigi	2.6	0.40
Executive Director		
Malcolm F Mehta	1,485.35	229.14
N.R. Panicker	972.32	150.00

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Person	% Increase in Remuneration
N.R.Panicker	109.1
Malcolm F Mehta	NIL
K.R.Chandrsekaran*	-75
Sweena Nair	NIL
*Mr K.R.Chandarsekaran, CFO retired on 30th June, 2014 as per retirement age policy for the employees of the Company. Hence, remuneration has been considered till that date during the Financial Year 2014-15.	

(c) The percentage increase in the median remuneration of employees in the financial year;

(0.64)

(d) The number of permanent employees on the rolls of Company;

There are 2,404 permanent employees on the rolls of Company.

(e) The explanation on the relationship between average increase in remuneration and Company performance;

On an average, employees received an increase of 10.74 %. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is linked to organization performance.

(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	₹ in lakhs
Remuneration of Key Managerial Personnel (KMP) during Financial Year 2014-15 (aggregated)	
Revenue from operations	34,017
Remuneration (as % of revenue)	1.84
Profit before tax (PBT)	-1,106
Remuneration (as % of PBT)	-0.17

(g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31st March, 2015	As at 31st March, 2014	variation %
Closing rate of share at BSE	₹	66.7	42.9	55.48
Closing rate of share at NSE	₹	65.7	42.6	54.23
EPS(consolidated)	₹	(2.50)	0.96	-102.51
Market capitalization	₹/lakhs			
BSE		19,851.17	12,767.84	55.48
NSE		19,553.55	12,678.56	54.23
Price Earnings Ratio	Ratio			
BSE		-26.57	44.69	-159.47
NSE		-26.18	44.38	-158.99

(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2014-15 was 8.18 %. Percentage increase in the managerial remuneration for the year was 109.10 %.

(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company;

Particulars	Executive Chairman	Executive Director	Company Secretary
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Remuneration	150	229	7.26
Revenue from operation	34,017	34,017	34,017
Remuneration (as % of revenue)	0.44	0.67	0.02
Profits before tax (PBT)	-1,106	-1,106	-1,106
Remuneration (as % of PBT)	-13.55	-20.69	-0.66

(j) The key parameters for any variable component of remuneration availed by the directors;

Members at the AGM of the Company held on 22/09/2010 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on performance evaluation which is based on attendance and contribution at the Board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not applicable.

(l) Affirmation that the remuneration is as per the remuneration policy of the Company;

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

For and on behalf of the Board

Place : Chennai **N.R. Panicker**
Date : 4th August, 2015 **Executive Chairman**

ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy grew in the range of 5.4 to 5.9 per cent in 2014-15 overcoming the sub-5 per cent GDP growth of past two years, in-spite of a poor monsoon and disturbed external environment, which was a cause of concern. The growth slowdown in the last two years was broad based, affecting in particular the industry sectors as a whole. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. The year saw continued volatility even in the midst of positive factors like declining oil prices and US economy showing signs of revival. While there are improvement in the manufacturing and service sectors of the economy, fresh investments in these sectors are being held back due to various reasons including structural and supply side constraints.

The Indian IT infrastructure market, comprising of server, storage and networking equipment, grew a 5.4 percent increase as compared to the previous year, it is expected that India will be the second largest market for data centre infrastructure within the Asia/Pacific region, and it will also be the second fastest growing market in Asia Pacific in 2015-16. A strong return to growth is expected next year in the IT infrastructure market, aided by a strong resurgence of growth-related projects across verticals such as banking, insurance, telecom and the government segment. The SMB segment is likely to focus on infrastructure build up and large enterprises will look at infrastructure replacement and growth related projects covering mobility, cloud and big data. The storage market is expected to grow by 7 percent this year. Storage modernization and consolidation, backup and recovery, and disaster recovery are some of the key drivers to this market, and they are likely to remain relevant drivers over the next few years. A strong recovery within the telecommunication segment, coupled with growth within the manufacturing and the government segment, will continue to drive market growth.

Accel Frontline is a subsidiary of CAC Holding Corporation of Japan and a leading Provider of IT Infrastructure services and Software solutions provider with industry expertise across Banking, Financial Services, Government, Hi-Tech industries and Manufacturing. The Company delivers comprehensive services for IT Infrastructure Management, Enterprise applications, business process management and Digital services. Combining core IT expertise with new technology capabilities, Accel helps customers to achieve lower cost of ownership for their IT infrastructure help then in their Locations serviced, at operations in the US, UK, Japan , Middle East and Singapore . The Company has demonstrated consistent track-record of innovation and growth, backed by its 3000 associates and a footprint in six countries. Your company has consistent track record of maintaining high customer satisfaction levels and able to retain a customer base of over 500 over the last 5 years. The Company operate in different business domains such as product engineering services, warranty management services, application software services life cycle management services. The Company has taken proactive initiatives and reinvented itself in terms of service offerings to remain customer centric and relevant to the customer's business needs. Though your Company has set it vision to become truly global player, 70% of our revenue continue to be derived from India Centric customers. While the Indian economy is expected to be on the upswing, the Company's exposure to less remunerative System integration business in India continue to be a concern for your company. Various transformational initiatives are being put in place to focus more on value added services. Your company is now a subsidiary of CAC Holding Corporation, with many Fortune 100 Customers in Japan and focussing on Application Management services. Various initiatives are underway to have joint working arrangements to exploit the cross selling opportunities. Your Company has shown significant successes in the global territories we are operating. Our operations in the USA, Singapore, and UAE have shown significant growth this year with a number of new client additions. The Company has robust global delivery model for it's offshore development centres located at Thiruvananthapuram, Kochi and Chennai. The past year has seen increased focus towards propelling growth in large maintenance accounts and a strategic reduction in areas that were not very lucrative.

B. OPPORTUNITIES & THREATS

Opportunities

IT Industry is still in robust growth trajectory based on the trends noticed in past couple of years and it will continue to grow at a healthy rate of 10 to 12 Percent over the years. Some of the key development leading to such growth are as given below.

(1) Domestic market to get boosted due to Government focus on "Digital India" and "make in India".

(2) Increasing penetration of Internet in India with the rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities. As a result, IT and network Infrastructures services and associated value added services would therefore be a growth area.

(3) Indian data centre infrastructure market is expected to grow as and the growth-related projects across verticals such as banking, insurance, telecom and the government segment are expected to be benefited by the policies followed by the present government.

(4) IT spends by domestic banking and securities companies may grow this year and rise further on expectations of more companies using RBI's 'on-tap' bank licensing, payment banks, and small finance banks.

(5) USA and Singapore markets have the potential to grow business, as these are developed economies with significant spending in IT.

Your company with multi divisional and multi locational operations will derive benefits from these growing opportunities.

Threats

(1) **Attrition:** IT sector is prone to high attrition rates due to more opportunities available in the market for technology professionals, retaining the existing talent pool and attracting new talent is a major challenge for your Company. We have initiated various measures to improve the retention of employees during the year which include, employee satisfaction surveys, transparent performance management System, more employee connect programs.

(2) **Technological Changes:** The Company operates in high end technology domains which are subject to frequent changes due to innovations and market requirement. The Company has set up centre of excellence for selected technology domains and has set up and R&D wing to develop products and solutions using emerging technologies such as IOT and cloud.

(3) **Competition** in the domestic market is resulting in lower profit margins and the need for higher business volumes to maintain the business.

C. FOCUS AREAS OF THE COMPANY

1. Strategy and value proposition

Accel's strategy is to strengthen its service offerings globally while maintaining and growing its India centric business. Accel has a good track record of providing SLA based life cycle management support for Mission critical IT infrastructure and is present across the IT value chain.

2. Quality and Long Standing Customer base

Quality and service excellence is the major philosophy around Accel's business model. This has resulted in our building strong and long lasting relationship with a number of leading corporate houses in India and overseas. Accel has been able to retain these key customers through process driven methodologies in customer service. Being aligned with customers and their requirements has helped us in retaining customers.

3. Delivery model

The Company has offshore delivery centres, strategically located at Trivandrum, Cochin, and Chennai in India to cater to the business from North America, Europe and Japan .The hybrid delivery model enables Accel to be cost competitive and provide end to end solutions across verticals. .

The domestic IT service operations span across 8 regional offices and over 100+ direct service locations across India in a hub-and-spoke model to help deliver our services on a pan India basis.

The Company has strategic partnerships with international technology providers such as Oracle, IBM and Microsoft to deliver solutions and services that are leading edge and industry oriented.

4. Non- linear business model

While the Company continues to make significant progress in the traditional IT service offerings, it has been pursuing non-linear growth opportunities, which contribute revenue growth without commensurate growth in headcount. The following contribute to Accel's non-linear business model

Products – Accel's products for banking (GBM) is driving non-linear growth through license revenue. These include State Tax Modules, New Pension Schemes, Centralized Pension Processing Centre, State Treasury and Post Office catering to Government business carried out by banks and other financial institutions.

Accel is also developing innovative solutions in the embedded systems domain targeted at automotive customers in Europe

Platform / frameworks - Accel has its own, time tested, web based CRM and logistics management system for its warranty management business. It's a fully integrated technology framework developed for IT and telecom product vendors, which helps delivering quality services. These help in optimizing costs for customers.

We also have also developed range of multi-function Kiosks, which are used for payment and ticketing solutions.

5. Research and Development

Accel will continue to focus on developing new products and solutions to help customers achieve their business objectives in an optimum manner while continuing to improve the quality and efficiency of service delivery.

Summary of development efforts spent during 2014-15 is given below:

₹ in lakhs

Industry	2014-15
Automotive Telematics Solutions	113.31
Banking Software products	64.38
Embedded and Allied Systems	128.98
Total	**306.67**

Accel will continue to invest in the R & D of various technologies and solutions to stay live with the technology and to meet customer requirements.

6. Infrastructure

Our registered and corporate office is located at Chennai, India. The Company occupies approximately 200,000 square feet of office space across various locations. All the major offices and software development centres are well equipped with all necessary infrastructure facilities. The Company is in the process of consolidating its infrastructure facilities to optimize costs, at the same time without impacting quality of delivery. This consolidation is expected to bring in cost efficiencies in the system next year.

7. Human Resource management – 'key to our success'

As on 31st March, 2015, the Company had multicultural work force drawn from different disciplines and domain backgrounds. The workforce is spread across 6 countries including India. The human resources strategy enabled the Company to attract and integrate and retain good talent required for driving business growth. We have sustained strategic focus to enhance employee capability, improve efficiency and groom future leaders

We have an established employee recruitment and retention policy, which involves identifying right talents and providing them with appropriate training. The strategy is to fulfil business requirements, maintain high utilization and keep the costs at optimum levels. In the course of achieving these, management is coming up with various policy level initiatives to run the business efficiently at optimum utilization levels, which is expected to yield favourable results in the next financial year.

The Company has created a performance driven environment where performance is recognized and employees are motivated to realize their potential. Management connects with employees on a regular basis and being transparent with the employees has immensely helped in motivating the employees and to realize their full potential.

Accel has its own learning and development programmes to enhance the skills and competencies of the employees. These include leadership development programs to develop business and people competencies. These employees are nurtured to build the leadership capability. The trainings include internal and external trainings.

Risk Management

The Company has constituted a risk management committee to evaluate and define the risk management approach across the Company at various levels of operations. This committee will look into the risk factors that are applicable to the business of the Company and suggest suitable steps to mitigate the risks including proper documentation and reporting. The suggested framework of risk management will evaluate the risks, rate them and grade the same in accordance with the potential impact and its likelihood and suggests steps to constantly evaluate them and mitigate the same.

The Board of Directors are responsible for monitoring risk levels on various parameters and ensures implementation of mitigation measures. The Audit Committee provides the overall direction on the risk.

Some of the key business risks faced by the Company and plans to mitigate the same is given below:

Key Risk	Impact on Accel	Mitigation plan
Business model	Increased trends in customers moving towards total IT outsourcing deals as a single window solution which includes tech refresh and adaptation of new age technologies. Large solution providers are better positioned to take advantage of this phenomenon.	Planned investment in emerging enterprise solutions, mobility and cloud services. Updating existing products and developing new solutions.
Global economic slow Down	Economic slowdown in key markets like US and Europe has lead to uncertainties in off shoring opportunities.	Despite slowdown, there is good opportunity in these markets for high value add services like embedded solutions, outsourced product development, etc., which will yield cost optimization for the customers. Focusing on other emerging markets, which are growing at a faster pace.
Dependence on domestic system integration and services business	As Accel is downsizing the hardware related IT system integration business, there is a risk of losing some of the IT services opportunities in the domestic Market.	Accel plans to stabilize the IT system integration business at an optimum level in order to retain the service market share. The focus will be to manage costs and improve margins.
Cost pressure	The increase in key costs like employee costs, infrastructure costs and other operational overhead costs are creating pressure on margins.	The operations have been decentralized with every service units being run as a separate business to have greater control on costs and profitability. Core focus to improve utilization and productivity of employees. Increase in non-linear business which will not have a direct impact on costs.
Supply chain risks	Employees are key assets to the Company and the Company is exposed to loss of talent. Inability to attract talent could have an impact on delivery.	Mature HR processes, providing a competitive environment and opportunities for growth will result in high employee satisfaction and talent retention. Learning and development by way of trainings will be key to keep the employees up to date on emerging technologies and meet the changing market and customer demands. Improving brand image will be critical in this competitive market.
Forex exposure	The Company is susceptible to volatility in currencies resulting in transaction exposures.	Larger part of costs are incurred in local currency resulting in a natural hedge. Currency hedging policies are in place, which are reviewed on a regular basis.
High leverage	Accel has a high debt equity ratio with high financing costs. This could impact further borrowing also impact the operations.	With a clear plan in place to invest only in high profitable business, control costs and improve collection of receivables, the debt pressure is expected to ease out.

Detailed review of financial performance

The financial statements are prepared in compliance with the Companies Act, 1956 and Generally Accepted Accounting Principles in India (Indian GAAP). The Company follows the revised Schedule VI as notified by the Ministry of Corporate Affairs (MCA) with effect from 1st April, 2011.

The following table gives an overview of the financial results of Accel Frontline Limited on a Consolidated basis

PARTICULARS	FY 2015		FY 2014		
	In ₹ lakhs	%	In ₹ lakhs	%	Growth in %
Revenue from operations	48,587	100%	42,134	100%	15%
Costs					
Material / Service costs	25,528	53%	23,399	56%	9%
Employee costs	11,669	24%	9,394	22%	24%
Other costs	6,470	13%	5,790	14%	12%
Total costs	43,667	90%	38,583	92%	13%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,920	8%	3,551	8%	39%
Other income	147	0%	691	1%	71%
Finance costs	2,255	5%	2,616	6%	-8%
Depreciation and amortisation expense	1,203	2%	1,107	3%	9%
Profit before tax & Prior period Items (PBT)	1,609	3%	519	1%	210%
Prior Period items	1,505	3%	-	0%	-
Total tax expense	(216)	0%	70	0%	-411%
Profit after tax (PAT)	320	1%	449	1%	-29%

Revenue analysis

BUSINESS MIX	FY 15	FY 14
SI - System Integration	56%	52%
IMS - Infrastructure Management Services	22%	22%
SS - Software Services	16%	18%
WMS - Warranty Management Services	5%	7%
Training	1%	1%

Analysis of Business by service.

The system integrated business of the Company (IIS) is in the areas of Data Centre, storage and security equipment and is likely to stabilise at current turnover levels and will continue to remain as a low margin business due to intense competition in the domestic market. Due to Company being an established PAN India player, we continue to be the preferred vendor for many leading corporate houses and Public Sector Undertakings. The presence of large number of players, intense competition and high requirement of working capital are likely to be the key factors restricting major growth in business.

The Infrastructure Management Business (IMS) comprising of Maintenance services, facility management and managed business services, which was earlier dependent on the IIS business, is now shaping itself to be an independent business. The IMS business will be the focus area of business for the current year and with the Company's PAN India presence and long standing relationships with our customers, the Company expects to maintain a healthy growth rate in this business.

The Software business of the Company, is operating in niche segments. The technology services focus on testing and re-engineering services in consumer products, networking and automotive domain, with its customers primarily in USA, Japan, UK, Australia and Israel. The Enterprise services focus on BFSI and Manufacturing with technologies involving Core banking, Oracle ERP, mobility, cloud computing and managed services. The Company is working on joint initiatives with CAC to expand this business rapidly to turn profitable as per the industry norms.

The warranty management services business, which Accel pioneered in India includes warranty fulfilment, test and repair services, and technical help desk. With our own web based CRM and logistics management framework, Accel can help customers to lower their costs and help them in their business. Your Company is launching a slew of new services offering in the WMS space during the coming year.

Depreciation and Amortization

The Company has been following straight-line basis of depreciation and has depreciated assets based on the rates mentioned in the Companies Act. In respect of application software, estimated useful life of the assets is taken as 7 years and has accordingly amortized the value of the software assets capitalized. Intangible asset in the form of goodwill is being amortized over a period of ten years.

Financing costs.

The rate of increase in finance costs have been moderated due to infusion of fresh Equity, External commercial borrowings (ECB), and replacement of costly working capital loans by some low cost loans. With the interest rates expected to ease and with additional emphasis on better working capital management, further reduction of financial costs is expected in the next Financial Year. CAC Holding Corporation has also given guarantees to the lending institutions to help reduce the cost of borrowings.

Taxation

The Company has not provided any amount for taxation in view of the book losses. There has been some reversals in the provisions of deferred taxes due to the book losses. The Subsidiary Company in Dubai has no tax liability and in view of certain unabsorbed losses in other subsidiaries, no provision has been made for taxation.

The Consolidated Balance Sheet of Accel Frontline Limited is given below:

₹ in lakhs

Consolidated Balance Sheet of Accel Frontline Limited	31-Mar-15	31-Mar-14
Shareholders' Funds		
Share Capital	2,976	2,976
Minority Interest	900	621
Reserves and Surplus	9,119	9,273
	12,995	**12,870**
Non-current liabilities		
Long Term Borrowings	7,070	3,048
Deferred Tax Liability	-	371
Long-Term Provisions	600	309
	7,670	**3,729**
Current Liabilities		
Short-Term Borrowings	12,312	11,157
Trade Payables	7,064	5,886
Other Current Liabilities	5,582	4,000
Short-Term Provisions	98	81
	25,056	**21,124**
Total	**45,721**	**37,723**
Fixed Assets - Tangible	2,468	2,454
Fixed Assets - Intangible	4,175	3,759
Capital Wip	25	-
Intangible Assets Under Development	74	20
Non-Current Investments	-	30
Deferred Tax Asset	61	-
Long-Term Loans And Advances	4,867	5,356
Other Non-Current Assets	1,266	896
	12,936	**12,515**
Current Assets		
Inventories	4,094	4,106
Trade Receivables	20,290	14,332
Cash And Bank Balances	4,626	1,938
Short-Term Loans And Advances	645	1,134
Other Current Assets	3,130	3,698
	32,785	**25,208**
Total	**45,721**	**37,723**

Key highlights

A. Equity and Reserves.

The Equity capital of the Company remained unchanged during the year. Due to losses on account of change in accounting policy, the company's reserves were utilised to meet the same.

B. Borrowings.

The Long Term Borrowings of the Company increased by ₹2,690 lakhs to meet the long term working capital needs of the company. The promoter, CAC Holdings Corporation, Japan had provided an External Commercial Borrowing (ECB) of ₹3,649 lakhs at a very concessional rate of interest. They have provided a sum of ₹1,880 lakhs to our subsidiaries in America on a concessional rate of interest. They have also provided a guarantee to a bank at India and at Dubai to help the Company/ subsidiary avail working capital facilities. During the year, some of the term loans amounting to ₹1,530 lakhs which were availed from banks were repaid.

The short term working capital increased by ₹1,155 lakhs due to temporary borrowings from banks to augment the working capital requirements.

C. Receivables Management

Receivable management continues to be a priority and constant efforts are being taken to reduce the receivables by close monitoring of the same. The Company's vendors mostly are from PSU/ Government clientele in India and are for infrastructural requirements of the customers.This is causing delays in receivables, which are being addressed by aggressive follow ups and proper vendor management.

The average collection period which was 121 days during the previous year has been 151 to 177 days during the year. Based on a review of the receivables, a sum of ₹7.57 crores was provided as bad and doubtful to ensure that the receivables are properly reflected in the financials.

D. Cash and Bank Balances

Cash and Bank balances increased by ₹2,688 lakhs due to some collections received during the end of the financial year as well as provision of securities in form of Fixed deposits for execution of some special orders. These were subsequently used for the working capital of the Company.

E. FUTURE OUTLOOK

Indian IT-BPM industry would continue its growth path and will weather any volatility in the global economy on the back of strong domestic market which is still largely unserved and has unmet needs. The IT skills supply is marked by some very high levels of skills in areas such as ER&DC and cutting edge web technologies. In addition there is a strong trend towards digital and e-commerce based start-ups indicating a healthy innovative culture building up which would foster IP led as an add-on to services led growth so far witnessed.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Accel has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. Accel has a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. Processes for formulating and reviewing annual and long term business plans have been laid down. Accel uses a state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices in the group and industry.

G. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

For and on behalf of the Board

Place : Chennai — **N.R. Panicker**
Date : 4th August, 2015 — **Executive Chairman**

ANNEXURE-III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption to run its various offices and therefore the scope of energy conservation is limited. The Company has means and processes to constantly monitor the usage of power and optimize the same to the extent possible. The Company is in the process of evaluating means of utilizing alternate energy sources for betterment of environment and reduce the consumption of conventional energy including consolidating its facilities.

B. TECHNOLOGY ABSORPTION

The Company is in high technology business and is constantly upgrading and adapting new technologies to meet the technology challenges.

Research and development (R&D)

The Company has been taking up R&D initiatives to promote innovation and new product development. These research initiatives are primarily in the field of Software, Systems and Application with the objective of coming up with new products, solutions and technology to our customers. The Company will continue to invest in these and other areas of research interests with sufficient funds allocated to this.

The amount spent on various product developmental activities is given below:

₹ in lakhs

Industry	2014-15
Automotive Telematics Solutions	113.31
Banking Software Products	64.38
Embedded and Allied Systems	128.98
Total	**306.67**

C. FOREIGN EXCHANGE EARNING AND OUTGO

The complete details regarding Foreign Exchange Earnings and Outgo are being mentioned in the notes to the accounts.

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L30006TN1995PLC031736
ii.	Registration Date	8th June, 1995
iii.	Name of the Company	Accel Frontline Limited
iv.	Category/Sub-Category of the Company	Information Technology
v.	Address of the Registered office and contact details	Accel House, No.75, Nelson Manickam Road, Aminjikarai, Chennai 600 029 Tel: 044-42252000 Fax: 044-23741271 Email: info@accelfrontline.com Website: www.accelfrontline.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Linkintime (India) Pvt. Ltd C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: 022-25963838 Email: mumbai@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Systems Integration	99831326	44
2	Infrastructure Management Service	99831326	32
3	Software Services	99831512	16
4	Warranty Management Services	99831323	08

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CAC Holdings Corporation	N.A	Holding	60.00%	2(46)
2.	Accel Limited	U29309TN1991PLC020471	Holding	14.68%	2(46)
3.	Accel Systems Group Inc.	N.A	Holding	0.62%	2(46)
4.	Accel IT Resources Ltd,	U80903TN2007PLC062824	Subsidiary	100%	2(87)
5.	Accel Systems & Technologies Pte. Ltd, Singapore	N.A	Subsidiary	51.00%	2(87)
6.	Accel Frontline JLT., Dubai	N.A	Subsidiary	100%	2(87)
7.	Network Programs (Japan) Inc., USA	N.A	Subsidiary	100%	2(87)
8.	Network Programs (USA) Inc., USA	N.A	Subsidiary	100%	2(87)
9.	Accel Japan KK., Japan	N.A	Subsidiary	100%	2(87)
10.	Accel North America Inc., USA	N.A	Subsidiary	100%	2(87)
11.	Accel Technologies Ltd, UK	N.A	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2014)				No.of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/ HUF	372,500	0	372,500	1.25	0	0	0	0	(1.25)
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp	7,797,191	0	7,797,191	26.20	4,368,768	0	4,368,768	14.68	(11.52)
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**8,169,691**	**0**	**8,169,691**	**27.45**	**4,368,768**	**0**	**4,368,768**	**14.68**	**(12.77)**
2. Foreign									
g. NRIs-Individuals	0	0	0	0	0	0	0	0	0
h. Other-Individuals	0	0	0	0	0	0	0	0	0
i. Bodies Corp.	18,324,260	0	18,324,260	61.57	18,040,210	0	18,040,210	60.62	(0.95)
j. Banks / FI	0	0	0	0	0	0	0	0	0
k. Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**18,324,260**	**0**	**18,324,260**	**61.57**	**18,040,210**	**0**	**18,040,210**	**60.62**	**(0.95)**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	0	0	0	0	630,276	0	630,276	2.12	2.12
b. Banks / FI	229,971	0	229,971	0.77	164,612	0	164,612	0.55	(0.22)
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0		0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**229,971**	**0**	**229,971**	**0.77**	**794,888**	**0**	**794,888**	**2.67**	**1.90**

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2014)				No.of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a. Bodies Corp. (i) Indian (ii) Overseas	151,503 0	0 0	151,503 0	0.51 0	1,714,422 0	0 0	1,714,422 0	5.76 0	5.25 0
b. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,432,053	76,397	1,508,450	5.06	2,084,452	75,707	2,160,159	7.26	2.20
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	957,074	34,000	991,074	3.33	2,015,520	0	2,015,520	6.77	3.44
c) Others (Specify)									
i) Clearing Member	12,082	0	12,082	0.04	331,469	0	331,469	1.11	1.07
ii) Non Resident Indians (REPAT)	353,061	5,350	358,411	1.20	314,404	5,350	319,754	1.07	(0.13)
iii) Non Resident Indians (NON REPAT)	16,331	0	16,331	0.05	16,583	0	16,583	0.06	0.01
iv) Trusts	100	0	100	3.36	100	0	100	3.36	0
Sub-total(B)(2)	**2,922,204**	**115,747**	**3,037,951**	**13.55**	**6,476,950**	**81,057**	**6,558,007**	**25.39**	**11.84**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3,152,175**	**115,747**	**3,267,922**	**14.32**	**7,271,838**	**81,057**	**7,352,895**	**28.06**	**13.74**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**29,646,126**	**115,747**	**29,761,873**	**100**	**29,680,816**	**81,057**	**29,761,873**	**100**	**0**

Note: Percentage in bracket represents negative percentage.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01-04-2014)			Shareholding at the end of the year (31-03-2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	CAC Holdings Corporation	18,141,175	60.95	0	17,857,125	60.00	0	(0.95)
2	Accel Limited	7,797,191	26.20	10.75	4,368,768	14.67	0	(11.53)
3	Accel Systems Inc	183,085	0.62	0	183,085	0.62	0	0
4	N.R.Panicker	372,500	1.25	0	0	0	0	(1.25)
	Total	**26,493,951**	**89.02**	**10.75**	**22,408,978**	**75.29**	**0**	**(13.73)**

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year (01-04-2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	26,493,951	89.02	26,493,951	89.02
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	1. 27/01/2015 - OFS by promoters.	554,343	(1.86)		
	2. 12/02/2015 - OFS by promoters.	2,834,186	(9.53)		
	3. 27/02/2015 - OFS by promoters.	696,444	(2.34)		
		Total 4,084,973	(13.73)		
3	At the End of the year	22,408,978	75.29	22,408,978	75.29

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Name of the Shareholder	Shareholding at the Beginning of the year 01.04.2014		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of the Total shares of the company	No. of Shares	% of the Total shares of the company
1	**RAJASTHAN GLOBAL SECURITIES LIMITED**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	630,251	2.11		
	At the End of the year (or on the date of separation, if separated during the year.	630,251	2.11	630,251	2.11
2	**ASHWIN DUNGERSHI DEDHIA**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	292,227	0.98		
	At the End of the year (or on the date of separation, if separated during the year.	292,227	0.98	292,227	0.98
3.	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	630,276	2.12		
	At the End of the year (or on the date of separation, if separated during the year.	630,276	2.12	630,276	2.12

4.	**MUKUL AGRAWAL** **ASHA MUKUL AGRAWAL**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	200,000	0.67		
	At the End of the year (or on the date of separation, if separated during the year.	200,000	0.67	200,000	0.67
5.	**GANESH R** **UMAMAHESWARI R**				
	At the Beginning of the year	200,500	0.67	200,500	0.67
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	(9,140)	(0.03)		
	At the End of the year (or on the date of separation, if separated during the year.	191,360	0.64	191,360	0.64
6.	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the Beginning of the year	229,971	0.77	229,971	0.77
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	(65,359)	(0.22)		
	At the End of the year (or on the date of separation, if separated during the year.	164,612	0.55	164,612	0.55
7.	**RUIA INDUSTRIES PVT. LTD.**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	134,554	0.45		
	At the End of the year (or on the date of separation, if separated during the year.	134,554	0.45	134,554	0.45
8.	**AFFLUENCE COMMODITIES PRIVATE LIMITED**				
	At the Beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	111,130	0.37		
	At the End of the year (or on the date of separation, if separated during the year.	111,130	0.37	111,130	0.37
9.	**PRAFUL MEHTA** **DEEPAK MEHTA**				
	At the Beginning of the year	98,000	0.32	98,000	0.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	11,521	0.04		
	At the End of the year (or on the date of separation, if separated during the year.	109,521	0.36	109,521	0.36
10.	**SATISH GOPAL KRISHNAN PILLAI**				
	At the Beginning of the year	116,202	0.39	116,202	0.39
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0		
	At the End of the year (or on the date of separation, if separated during the year.	116,202	0.39	116,202	0.39

*** It is not feasible to track movement of shares on daily basis. The changes are because of market transactions.**

The above details are given as on 31st March, 2015. The Company is listed and 99.73% shareholding is in dematerialized form.

The aforesaid holdings by top Ten Shareholders is due to market operations.

Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

v. Shareholding of Directors and Key Managerial personnel

Directors and Key Managerial Personnel do not have any shareholding in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2014 i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 13,848 - -	 1,366 - -	 100 - -	 15,314 - -
Total(i+ii+iii)	133,848	1,366	100	15,314
Change in Indebtedness during the financial year - Addition - Reduction	 - (1,365)	 3,649 -	 - (100)	 3,649 (1,465)
Net Change	(1,365)	3,649	(100)	2,184
Indebtedness at the end of the financial year 31-03-2015 i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 12,483 - 72.83	 5,015 - 30.41	 - - -	 17,498 - 103.24
Total (i+ii+iii)	12,555.83	5,045.41	-	17,601.24

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager **(₹ in Lakhs)**

Sl. No.	Particulars of Remuneration	Mr. N.R.Panicker Executive Chairman	Mr. Malcolm F Mehta Executive Director	Total Amount (per Annum)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 92.475 15.467 -	 139.908 87.454 -	 23.383 102.921 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify – Retirement Benefits	3.405	1.782	5.187
	Total (A)	111.347	229.144	340.492
	Ceiling as per the Act	Minimum Remuneration	Not applicable	-

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	R. Ramaraj	Alok Sharma (Upto 13.08.14)	Sam (S) Santhosh (upto 10.06.14)	Ruchi Naithani (From 11.09.14)	Raj Khalid (From 06.02.15)	Total (₹ in Lakhs)
1.	**Independent Directors** • Fee for attending board/ committee meetings	5.40	1.20	0.60	4.00	0.60	11.80
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	Total(1)	5.40	1.20	0.60	4.00	0.60	11.80
2.	**Other Non-Executive Directors**	**Steve Ting (upto 13.08.14)**	**A.P.Parigi (upto 07.05.14)**				**Total (₹ in Lakhs)**
	• Fee for attending board committee meetings	0.70	0.40	-	-	-	1.10
	• Commission	0.00	0.00	-	-	-	0.00
	• Others, please specify	0.00	0.00	-	-	-	0.00
	Total (2)	0.70	0.40	-	-	-	1.10
	Total (B) = (1+2)	6.10	1.60	0.60	4.00	0.60	12.90
	Total Managerial Remuneration (A)						**340.49**
	Total Remuneration (A+B)						353.39
	Overall Ceiling as per the Act	Not applicable					

C. Remuneration to Key Managerial Personnel other than MD/Manager /WTD

Sl. no.	Particulars of Remuneration	*Chief Financial Officer (CFO)	Company Secretary (CS)	Total (₹ in Lakhs)
1	Gross Salary (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	4.657	6.9108	11.568
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.693	-	0.693
	(c) Profits in lieu of salary under section 17 (3)Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify Retirement Benefits	5.350	0.349	5.699
6	Total	10.701	7.260	17.961

- CFO retired on 30th June, 2014.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalities /punishment/ compounding of offences for the year ending 31st March, 2015.

CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organisation. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good Governance practices stem from the dynamic culture and positive mindset of the organization. The Corporate Governance guidelines are in compliance with the requirements of the Clause 49 of the Listing Agreements with the stock exchanges. In its pursuit of excellence towards corporate governance, Company has adopted the AFL Code of Conduct for Board Members, Accel Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices, Vigil Mechanism Policy .

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of Strategic Business Units. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management,the enhanced role of Audit Committee and conduct of Secretarial Audit.

1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. She ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. She is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the Company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is apparised of the actions taken.

1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines issued by the Accel Frontline eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

1.4 Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

1.5 Familiarization Program of Independent Directors

The Independent Directors of AFL are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wider range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.accelfrontline.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

1.6 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, a Securities Dealing Code `Accel Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the designated employees are also required to disclose related information periodically as defined in the Code. Directors and designated employee who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company www.accelfrontline.com.

1.7 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the `Vigil Mechanism Policy' uploaded at the website of the Company.

2.0 Board of Directors

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting.

During the year, information as per Clause 49 of the Listing Agreement has been placed before the Board for its consideration from time to time as and when required.

Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

(A) Composition of Board

The present Board of the Company consists of Two Executive Directors, One Non Executive Director and Three Independent Directors including one Woman Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and view points.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

(B) Non-Executive Independent Directors' compensation and disclosures

The Non-Executive Independent Directors are paid sitting fee within the limits prescribed under Section 197(1) (ii) of the Act. The Non-Executive Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2014-15.

Independent Directors are not serving as Independent Directors in more than seven listed companies. None of Directors of the Company hold the position as Whole Time Director in company itself nor serve as Independent Director in more than three listed companies.

(C) Performance evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

(D) Other provisions as to Board and Committees

The Board comprises of Mr. N.R. Panicker as Executive Chairman, Mr. Malcolm F Mehta as Executive Director, Mr. Bing Cheng as Non-Executive Director and Mr. R. Ramaraj, Ms. Ruchi Naithani and Mr. Raj Khalid as Independent Directors.

Eight (8) meetings of the Board of Directors were held on 7th May, 2014, 10th June, 2014, 13th August, 2014, 11th September, 2014, 4th November, 2014, 5th December, 2014, 6th February, 2015 and 5th May, 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2015 have been made by the Directors as per Clause 49 (II) (D) of the listing agreement.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 11th September, 2014, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 5th May, 2015 are given below:

Name of the Director	Category as at 05.05.2015	No. of Board Meetings Attended Out of 08 Meetings held as on 05.05.2015	Attendance At the last AGM held On 11.09.2014	No. of Directorship held in Indian Public Limited Companies (excluding Accel Frontline Limited)	Committee/s position as on 05.05.2015 (All companies excluding Accel Frontline Limited)	
					Member	Chairman
N.R. Panicker	Executive Chairman	08	Yes	04	01	01
Steve Ting Tuan Toon Resigned w.e.f. 13.08.2014	Non Executive Non Independent	02	No	N.A	0	0
Amba Preetham Parigi Resigned w.e.f. 07.05.2014	Non Executive Non Independent	01	No	N.A	0	0
Alok Sharma Resigned w.e.f. 06.09.2014	Non Executive Independent	03	No	N.A	0	0
Sam (S) Santhosh Resigned w.e.f 13.08.2014	Non Executive Independent	01	No	N.A	0	0
R. Ramaraj	Non Executive Independent	08	Yes	05	02	03
Malcolm F Mehta w.e.f. 07.05.2014	Executive Director	08	Yes	01	0	0
Bin Cheng w.e.f. 13.08.2014	Non Executive Non Independent	01	Yes	00	0	0
Ruchi Naithani w.e.f 11.09.2014	Non Executive Independent	05	No	00	0	0
Raj Khalid w.e.f. 05.12.2014	Non Executive Independent	02	No	00	0	0

Other directorships do not include alternate directorships, directorships of private limited companies and Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

(E) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for Board of Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company www.accelfrontline.com.

(ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2015. The Annual Report of the Company contains a Certificate by the Executive Chairman in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

(F) Board's functioning & Procedure

The AFL Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behavior at all times and strict compliance with laws and regulations.

The Agenda placed at the Meetings of the Board include the following:

- Report on operations of the company;
- Opportunities for organic and inorganic growth;
- Business Plans and analysis of variances periodically as compared to the plans;
- The audited quarterly/half yearly financial results and the audited annual accounts of the company, both consolidated and on standalone for consideration for approval;
- Financial statements such as cash flow, inventories, sundry debtors and/or other liabilities or claims of substantial nature;
- Status of borrowings and details of material foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if any;
- Delegation of powers to the operational management;
- Any material default in financial obligations to any by the company including substantial non-receipt of monies due to the company;
- Review compliance of all laws applicable to the company including the requirements of listing agreement signed with the stock exchanges and steps taken by the company to rectify instances of non-compliances, if any;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any;
- Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business, if any;
- Information on senior appointments below the board level including the appointment/ removal of the Chief Financial Officer (CFO) and the Company Secretary;
- Proposals for joint ventures/collaborations;
- Material communication from government including show cause notices, demand, prosecution, notices and penalty notices, if any, which are materially important;
- Communication to Stock Exchanges, the shareholders and the press regarding company's performance, future plans and other decision/changes of significant importance or of price sensitive nature;

All the items on the Agenda are accompanied by notes giving information on the related subject. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the meetings of the Board are individually given to all Directors and confirmed at the subsequent Board Meeting. The Minutes of the various committees of the Board are also individually given to the Board and thereafter tabled for discussion at the subsequent Board Meeting.

G) Details of Board Meetings held upto 05-05-2015 and the number of Directors present

Sr. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors Present
1.	07-05-2014	07	07
2.	10-06-2014	06	04
3.	13-08-2014	05	05
4.	11-09-2014	05	05
5.	04-11-2014	05	05
6.	05-12-2014	05	05
7.	06-02-2015	06	06
8.	05-05-2015	06	06

H) Attendance of Last Annual General Meeting.

Four directors of the company attended the last Annual General Meeting held on 11th September, 2014.

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the three Non-Executive Directors, out of which two are Independent Directors;

(ii) All members of the Committee are financially literate and having the requisite financial management expertise;

(iii) The Chairman of the Audit Committee is an Independent Director;

(iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 11th September, 2014.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- Oversight of Company's Financial reporting process and the disclosure of its financial information;
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them.;
- Reviewing with the Management, the annual financial statements and Auditors' report thereon;
- Matters to be included in the Directors' Responsibility statement to be included in the Boards' Report;
- Changes, if any, in the accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;

- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and legal requirements relating to financial statements;
- Approval of related party transactions as per policy of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of Inter Corporate Loans and investments;
- Evaluation of Internal financial controls and risk management systems;
- Reviewing, the management, performance of statutory and internal auditors, adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post audit discussions to acertain any area of concern;
- To review the functioning of vigil mechanism;
- Management discussion and analysis of financial condition and results of operations;

(C) Composition, names of Members and Chairperson, its meetings and attendance:

The Composition of the Committee is :

Mr. R. Ramaraj	Chairman
Ms. Ruchi Naithani	Member
Mr. Bin Cheng	Member

During the year, 6 (SIX) Audit Committee meetings were held on 7th May, 2014, 13th August, 2014, 4th November, 2014, 5th December, 2014, 6th February, 2015 and 5th May, 2015.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meeting attended
Mr.R. Ramaraj	Independent	06	06
Ms. Ruchi Naithani	Independent	04	04
Mr. Bin Cheng	Non Executive Non Independent	04	04 attended via video conferencing

Ms. Ruchi Naithani became a director with effect from 11-09-2014.

Mr. Bin Cheng became a director with effect from 13-08-2014.

The Committee meetings are attended by invitation by the Manager – Accounts, Group Compliance Officer, representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

3.2 Nomination and Remuneration Committee

(A) Constitution

The Nomination and Remuneration Committee comprises of :

Ms. Ruchi Naithani	Chairman
Mr. Raj Khalid	Member
Mr. Bin Cheng	Member

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulation of criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

(C) Meetings and attendance during the year:

During the year, 08 (EIGHT) meetings of Nomination and Remuneration Committee were held on 7th May, 2014, 10th June, 2014, 13th August, 2014, 11th September, 2014, 4th November, 2014, 5th December, 2014, 6th February, 2015 and 5th May, 2015.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meeting attended
Ms. Ruchi Naithani	Independent	08	04
Mr. Raj Khalid	Independent	08	02
Mr. Bin Cheng	Non Executive Non Independent	08	*05 attended via video conferencing

* One meeting attended in person.

Ms. Ruchi Naithani became a director with effect from 11-09-2014.

Mr. Raj Khalid became a director with effect from 05-12-2014.

Mr. Bin Cheng became a director with effect from 13-08-2014.

(D) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

(E) Remuneration to Executive Chairman and Executive Director

(a) Mr. N.R. Panicker, is the Executive Chairman of the Company. The salary, benefits and perquisites paid to Mr. N.R. Panicker, Executive Chairman during the year 2014-15 were ₹96 Lakhs.

b) Mr. Malcolm F Mehta, is the Executive Director of the Company. The salary, benefits and perquisites paid to Mr. Malcolm F Mehta, Executive Director, during the year 2014-15 were ₹163 lakhs. M/s CAC Holdings Corporation, Japan are reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F Mehta as per their letter of confirmation dated 11th August, 2014 .

(F) Remuneration to Non-Executive Directors

(a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings as detailed below.

Board Meeting	₹20,000/- per meeting upto 13.08.2014 ₹60,000/- per meeting w.e.f 11.09.2014
Audit Committee	₹10,000/- per meeting upto 13.08.2014 ₹20,000/- per meeting w.e.f 11.09.2014
Nomination and Remuneration Committee	₹10,000/- per meeting upto 13.08.2014 ₹20,000/- per meeting w.e.f 11.09.2014
Stakeholders' Relationship Committee	₹10,000/- per meeting upto 13.08.2014 ₹20,000/- per meeting w.e.f 11.09.2014
Independent Directors Committee	₹20,000/- per meeting

The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Payment of sitting fee to the Non-Executive Directors for the year ended 31st March, 2015 are as under:

Name of Director	Sitting Fee (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
A.P. Parigi upto 07.05.2014	0.40	Nil	0.40
Alok Sharma Upto 13.08.2014	1.20	Nil	1.20
Steve Ting Tuan Toon Upto 13.08.2014	0.70	NIL	0.70
Sam (S) Santhosh Upto 07.05.2014	0.60	Nil	0.60
R. Ramaraj Upto 06.02.2015	5.40	Nil	5.40
Ruchi Naithani Upto 06.02.2015	4.00	Nil	4.00
Raj Khalid Upto 06.02.2015	0.60	Nil	0.60

Notes:

(i) The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

(ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Stakeholders Relationship Committee

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of :

Mr. Raj Khalid	Chairman
Mr. R. Ramaraj	Member
Mr. Bin Cheng	Member

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

During the year, 5 meetings of the Stakeholders Relationship Committee were held on 7th May, 2014, 13th August, 2014, 4th November, 2014, 6th February, 2015 and 5th May, 2015.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meeting attended
Mr. Raj Khalid	Independent	05	02
Mr. R. Ramaraj	Independent	05	05
Mr. Bin Cheng	Non Executive Non Independent	05	02 attended via video conferencing

Mr. Raj Khalid became a director with effect from 05-12-2014.

Mr. Bin Cheng became a director with effect from 13-08-2014 and became a member of the committee with effect from 6th February, 2015.

(B) Name and Designation of the Compliance Officer

Ms. Sweena Nair, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges and can be contacted at:

Accel Frontline Limited
No.75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029
Tel: 044 42252071 / Fax:044 23741271
Email :sweena.nair@accelfrontline.in

(C) Complaints received and redressed during the year 2014-15

Opening Balance	Received during the year 2014-2015	Resolved during the year 2014-2015	Closing Balance
0	0	0	0

(D) Suspense Account for the unclaimed shares

Pursuant to Clause 5A of the Listing Agreement, the requisite information as per aforesaid Clause is given below:

Aggregate No. of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	No. of shareholders who approached issuer for transfer of shares from suspense account during the year	No. of Shareholders to whom shares were transferred from suspense account during the year	Aggregate No. of shareholders and the outstanding shares in the suspense account during the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(I)	(II)	(III)	(IV)	(V)
6 shareholders holding 894 shares	NIL	NIL	6 shareholders holding in aggregate 894 shares	The company ensures that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

(E) Transfer of Unclaimed Dividend to IEPF

Pursuant to provisions of Section 124 of the Companies Act, 2013 an amount of ₹143,533/- was transferred to Investors Education and Protection Fund (IEPF) during the year.

(F) Unclaimed Dividend

Year-wise list of the Shareholders who have not claimed their dividend is posted at website of MCA as well as website of the Company in line with MCA Circular.

Independent Directors Meeting

The Independent Directors Mr. R. Ramaraj, Mr. Raj Khalid and Ms. Ruchi Naithani met on 05th May, 2015 without any Senior Management Personnel to evaluate the performance of Board, Non-Independent Directors including the Chairman of the Company.

The Company has issued formal letters of appointment to Independent Directors and also disclosed the terms of appointment in the website of the Company.

Subsidiary Company

(i) The Company have One Indian Subsidiary Company.

(ii) The Financial Statements of the unlisted foreign Subsidiary Companies are being placed before the Board.

4. Disclosures

(A) Basis of related party transactions

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

(iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years. As per Rule 19(2) (b) and rule 19A of the Securities Contracts (Regulation) Rules, 1957 (SCRR) and Clause 40A (i) of the Listing Agreement, every public listed Company is required to have Minimum Public shareholding of 25%. The Minimum Public shareholding as on 31st March, 2015 is 24.71%. The Company is in the process of taking corrective action and necessary approval from SEBI is awaited, in respect of an 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 87,574 (0.29%) equity shares held by promoter group, so as to achieve the Minimum Public Shareholding requirements.

(v) The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.accelfrontline.com.

(B) Disclosure of Accounting Treatment

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

(E) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on Annual basis from the Company Secretary in Practice for compliance with Section 204 (1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(F) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(G) Shareholders

(i) The quarterly results and presentations made by the Company to analysts are put on the Company's website www.accelfrontline.com under the Investors Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depositary Participant.

(iii) Mr. Malcolm F Mehta (Din No. 03277490) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Executive Director.

(iv) Ms. Ruchi Naithani and Mr. Raj Khalid have been appointed as additional directors and, being eligible, they have given the consent to continue as director of the company. They are being regularized in the ensuing Annual General Meeting of the Company. Their brief profile is published elsewhere in the Annual Report.

5. Compliance on Corporate Governance

The quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

6. Mandatory and Non –Mandatory requirements.

The Company has complied with all the applicable mandatory requirements as provided in Revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges where Company's shares are listed except that the office of the Chief Financial Officer was left vacant for a period of more than 6 months from the date of previous vacancy during the year. However, the Company has subsequently appointed a Chief Financial officer on 09.06.2015. On account of such vacancy in the office of Chief Financial officer as at 31st March, 2015 there is no compliance certification by the Chief Financial Officer of the Company as per the requirements of Clause 49 IX to the Listing Agreement .

The extent of implementation of the non-mandatory requirements are as under:

1. **The Board**

   The requirement regarding the Non Executive Chairman is not applicable, since the Chairman of the Company is the Executive Chairman.

2. **Shareholder Rights**

   The Company is yet to comply with the same.

3. **Audit qualifications**

   There are Audit qualifications in the Financial Statements of the Company for the Year 2014-2015 and the comments to the qualifications are mentioned in the Directors Report.

4. **Separate posts of Chairman and CEO**

   The Company may appoint separate persons to the post of Chairman and Managing Director/CEO.

5. **Reporting of Internal Auditor**

   The Internal Auditor may report directly to the Audit Committee.

7. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years:

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2012	19.12.2012	"The Fortune Park Aruna Chennai", Nungambakkam, Chennai 600 034	3.00 P.M	Yes
2013	12.08.2013	"Rajah Sir Annamalai Chettiar Memorial Trust Hall (Rani Seethai Hall), Mount Road, Chennai 600 001	11.00 A.M	Yes
2014	11.09.2014	Narada Gana Sabha Trust Mini Hall, 314, T T K Road, Chennai 600018	11.00 A.M	Yes

(B) Special Resolution Passed at Extra Ordinary General Meeting:

An Extra Ordinary General Meeting of the shareholders of the Company was held on 8th January, 2014 at 10.30 AM at Pearl Hall, First Floor, "The Aruna Chennai" 144-145, Sterling Road, Chennai 34 for the approval of shareholders :

- for alteration of Articles of Association of the Company by altering/amending/substituting suitably by inserting / deleting and amending the Articles of the Company and
- To raise additional funds through further issue of securities by way of preferential allotment.

Means of Communication

The Company's website is a comprehensive reference on Accel Frontline management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, Dividend Policy, information relating to Stock Exchanges, Registrars & Share Transfer Agents, list of shareholders who have not claimed their dividend during the last six years to comply with MCA Guidelines and frequently asked questions. The website covers all major press reports, releases, awards, campaigns etc.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of Shareholders	The results of the Company are published in the newspapers
Quarterly results and in which newspaper normally published in	The Business Standard, Business Line (all editions) and in Makkal Kural (Tamil Chennai Edition)
Any website where displayed	Yes. It is published in the Company's website www.accelfrontline.in under investor Center – Financial Reports Section

General Shareholder Information

(i) Annual General Meeting:

Date	25th September, 2015
Time	11.00 A.M
Venue	The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai 600 018

b) Financial Year : April to March

Financial Calendar (Tentative)

Results for quarter ending 30th June, 2015	Mid August, 2015
Results for quarter ending 30th September, 2015	Mid November, 2015
Results for quarter ending 31st December, 2015	Mid February, 2016
Results for year ending 31st March, 2016	End May, 2016
21st Annual General Meeting (i.e. next year)	September, 2016

(ii) Date of Book Closure.	The Register of Members and Share Transfer Books of the Company shall remain closed from 23.09.2015 to 25.09.2015 (Both days inclusive)

(iii) Listing on Stock Exchanges and Stock Code / Symbol.

Name of Stock Exchange	Stock Code / Symbol
The National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400051	AFL
The Bombay Stock Exchange Ltd Phiroze Jeejebhoy Towers Dalal Street, Mumbai 400001	532774
ISIN Number – INE020G01017	

The Annual Listing fees for the year 2014-2015 have been paid to the concerned Stock Exchanges.

Market price information

a. The reported high and low closing prices during the year ended 31st March, 2015 on the National Stock Exchange and the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	BSE		NSE	
	High	Low	High	Low
April 2014	46.00	40.70	45.70	41.40
May 2014	49.65	41.00	48.90	42.00
June 2014	54.00	42.25	54.75	42.60
July 2014	49.70	43.35	50.25	43.75
August 2014	61.75	39.55	60.90	40.00
September 2014	79.95	54.05	79.85	54.00
October 2014	73.55	59.80	74.00	58.20
November 2014	129.00	70.80	130.40	70.00
December 2014	128.00	88.50	126.95	87.15
January 2015	101.95	83.00	100.95	83.40
February 2015	92.35	72.00	93.75	69.95
March 2015	76.80	62.00	77.20	62.00

Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents -

Link Intime (India) Pvt. Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400078
Telephone: 022 25963838
Email: mumbai@linkintime.co.in

(iv) Shareholding as on 31st March, 2015

(a) Distribution of shareholding as on 31st March, 2015

Share or Debenture holding of nominal value	Share/ Debenture Holders		Share/ Debenture Amount	
Rs.	Number	% to total	Rs.	% to total
(1)	(2)	(3)	(4)	(5)
Upto 5000	5339	85.63	6,608,940	2.22
5001-10000	324	5.20	27,41,480	0.92
10001-20000	197	3.16	3052,710	1.03
20001-30000	154	2.47	4,013,580	1.35
30001-40000	34	0.55	1218,120	0.41
40001-50000	28	0.45	1,320,670	0.44
50001-100000	64	1.02	4,728,360	1.59
100001 and above	95	1.52	273,934,870	92.04
Total	**6,235**	**100.00**	**297,618,730**	**100.00**

(b) Shareholding pattern as on 31st March, 2015

Category	No. of shares held	% to the total paid up capital
Promoters		
Indian	4,368,768	14.68
Foreign	18,040,210	60.62
Non Promoters		
Financial Institutions/Banks	164,612	0.55
Mutual Funds	630,276	2.12
Bodies Corporate	1,714,422	5.76
NRIs	336,337	1.13
Clearing Member	331,469	1.11
Trusts	100	0.00
Indian Public	4,175,679	14.03

Capital of the Company

The Authorized Capital .. ₹330,000,000
The Paid-up Capital .. ₹297,618,730

(c) Top ten Shareholders as on 31st March, 2015

Category	Name of the Shareholder	No. of shares held	% to the total paid up capital
Promoter	CAC Holdings Corporation	17,857,125	60.00
Promoter	Accel Limited	4,368,768	14.68
	Rajasthan Global Securities LTD	630,251	2.12
	Ashwin Dungershi Dedhia	292,227	0.98
MI	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series	630,276	2.12
PI	Mukul Agarwal	200,000	0.67
PI	Ganesh R	191,360	0.64
Promoter	Accel Systems Group Inc.	183,085	0.62
FI	Life Insurance Corporation of India	164,612	0.55
Body Corporate	RUIA Industries PVT. LTD	134,554	0.45

Dematerialisation of shares and liquidity

99.73% of the equity shares have been dematerialised as on 31st March, 2015.

The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE and NSE.

(v) Outstandings GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

(vi) Plant locations

The Company has a manufacturing unit at Gandhipuram, Trivandrum.

(vii) Address for correspondence

The Company Secretary
Accel Frontline Limited
No.75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029
Tel.: 044-42252071 / Fax: 044-23741271

(viii) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

Details of mandatory requirement of listing Agreement

Sl.No.	Particulars	Clause No.	Compliance Status
I.	**Board of Directors**	49 (II)	
	(A) Composition of Board	49 (II A)	Complied with
	(B) Independent Directors	49 (II B)	Complied with
	(C) Non-Executive Directors' Compensation & Disclosures	49 (II C)	Complied with
	(D) Other provisions as to Board and Committees	49 (II D)	Complied with
	(E) Code of Conduct	49 (II E)	Complied with
	(F) Whistle Blower Policy	49 (II F)	Complied with
II.	**Audit Committee**	49 (III)	
	(A) Qualified & Independent Audit Committee	49 (III A)	Complied with
	(B) Meeting of Audit Committee	49 (III B)	Complied with
	(C) Powers of Audit Committee	49 (III C)	Complied with
	(D) Role of Audit Committee	49 (III D)	Complied with
	(E) Review of Information by Audit Committee	49 (III E)	Complied with
III.	**Nomination and Remuneration Committee**	49 (IV)	Complied with
IV.	**Subsidiary Companies**	49 (V)	Complied with
V.	**Risk Management**	49 (VI)	Complied with
VI.	**Related Party Transaction**	49 (VII)	Complied with
VII.	**Disclosures**	49 (VIII)	Complied with
	(A) Related party transactions	49 (VIII A)	Complied with
	(B) Disclosure of Accounting Treatment	49 (VIII B)	Complied with
	(C) Remuneration to Directors	49 (VIII C)	Complied with
	(D) Management	49 (VIII D)	Complied with
	(E) Shareholders	49 (VIII E)	Complied with
	(F) Proceeds from public issue, rights issue, preference issue etc.	49 (VIII F)	Complied with
VIII.	**CEO/CFO Certification**	49 (IX)	Complied with
IX.	**Report on Corporate Governance**	49 (X)	Complied with
X.	**Compliance**	49 (XI)	Complied with

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,

ACCEL FRONTLINE LIMITED

We have examined the compliance of conditions of Corporate Governance by ACCEL FRONTLINE LIMITED ("the Company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except for the non-issuance of compliance certificate by the Chief Financial Officer of the Company as per the requirements of Clause 49 IX to the Listing Agreement on account of vacancy in the office of Chief Financial officer as at 31st March, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 04th August, 2015

CERTIFICATION BY EXECUTIVE CHAIRMAN TO THE BOARD.

I, N.R. Panicker, Executive Chairman of Accel Frontline Limited, certify that:

1. I have reviewed the financial statements and cash flow statement for the year and that to the best of my knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements together present a true and fair view of the state of affairs of the Company and are in compliance with the existing Accounting Standards, applicable laws and regulations;
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for the Company's internal control system for financial reporting. I have periodically evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the audit committee deficiencies in the designs or operation of the Internal controls, if any. I have also taken effective steps to rectify those deficiencies, if any.
4. I indicate to the auditors and to the Audit Committee:
   a) Significant changes in internal control over financial reporting during the year;
   b) Significant changes in accounting policies during the year;
   c) Instances of significant fraud of which I have become aware of and which involve management or other employees, who have significant role in the Company's internal control system over financial reporting.

Place: Chennai **N.R. Panicker**
Date: 5th May, 2015 **Executive Chairman**

DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, all Board Members & Senior Management Personnel have affirmed compliance with Accel Frontline Limited's Code of Conduct for the Year ended 31st March, 2015

For Accel Frontline Limited

Place: Chennai **N.R.Panicker**
Date : 04th August, 2015 **Executive Chairman**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Accel Frontline Limited
75, 3rd Floor, Nelson Manickam Road,
Aminjikarai,
Chennai – 600029.

Company No.	**:**	**L30006TN1995PLC031736**
Authorized Capital	**:**	**Rs.33 Crores**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Accel Frontline Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period)**

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the audit period)**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) and**

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

(vi) The Company has identified the following laws as specifically applicable to the Company;

   a) Various labour laws as applicable to the Company; and

   b) Other applicable laws like Customs Act, 1962 etc.,

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India. **(Not applicable to the Company during the audit period)**

(ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

It was identified during the audit that the office of the Chief Financial Officer was left vacant for a period of more than 6 months from the date of previous vacancy during the year under review. However, the Company has subsequently appointed a Chief Financial officer on 09.06.2015 adhering due compliances under the Act.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **JM & Associates,**
Company Secretaries

Soy Joseph
Partner
(ACS-13852, CP-5612)

Place: Chennai
Date: 04th August, 2015

Independent Auditor's Report

To the Members of Accel Frontline Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Accel Frontline Limited, ("the Holding Company") and its subsidiary entities (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, 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 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/Management of the subsidiaries included in the Group are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary companies, which are incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the 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 auditor's report under the provisions of the Act and the Rules made thereunder.

5. 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 consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. *As disclosed in note 20(a) of the financial statements, during the year the Holding Company has recognized revenue from operations amounting to ₹397 lakhs however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 – 'Revenue Recognition'. Had the Holding Company followed the principles of AS 9, the revenue from operations and the changes in inventories of stock-in-trade and stores and spares for the year ended 31 March 2015 would have been lower by ₹397 lakhs and ₹368 lakhs respectively. The profit before tax would have been higher by ₹29 lakhs and tax expense would be lower by ₹9 lakhs for the year ended 31 March 2015. Further, the trade receivables as at 31 March 2015 would be lower by ₹397 lakhs and the inventories would be higher by ₹ 368 lakhs as at that date.*

9. Further, as disclosed in note 16(a) of the financial statements, the Holding Company's inventory comprise of certain items carried at ₹3,044 lakhs as at 31 March 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with the Holding 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 evidence we are unable to comment on the impact, of the aforesaid matter on the changes in inventories of stock-in-trade and store and spares for the year ended 31 March 2015 and the carrying value of inventories as at 31 March 2015 and the consequential impact, if any, on the financial statements.

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

11. We did not audit the financial statements of 8 subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹11,757 Lakhs as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹17,051 Lakhs and net cash flows amounting to ₹1,531 Lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.

13. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

    a) We have sought, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph 9, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph9 in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The reports on the accounts of the branch offices of the Holding Company, audited under Section 143 (8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;

    d) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    e) Except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) as detailed in note 34 to the consolidated financial statements, the Company has disclosed the impact of pending litigations on its consolidated position of the Group;

(ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India. Further, in one subsidiary company incorporate in India there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable to the subsidiary

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 05th May 2015

Annexure to the Independent Auditor's Report of even date to the members of Accel Frontline Limited, on the financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's reports of one subsidiary company incorporated in India, we report that:

(i) (a) The Holding Company and one subsidiary company incorporated in India has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Holding Company and one subsidiary company incorporated in India has a regular program of physical verification of its fixed assets under which fixed assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management of Holding Company and one subsidiary company incorporated in India has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

(b) The procedures of physical verification of inventory followed by the management of Holding Company and subsidiary company incorporated in India are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Holding Company and subsidiary company incorporated in India are maintaining proper records of inventory except that due to the reasons mentioned the note 16(a) to the financial statements, the new software is not able to generate the details with respect to the issue of inventory in a chronological manner. No material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Holding Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) as the terms and conditions of the said loan are not stipulated, we are unable to comment as to whether the receipt of the principal amount is regular; and

(b) in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of Rs. one lakh and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

Further, one subsidiary company incorporated in India has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company and one subsidiary company incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and based on the comments in the auditor's report of one subsidiary company incorporated in India, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Holding Company and one subsidiary company incorporated in India has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Holding Company and one subsidiary company incorporated in India's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In the Holding Company and one subsidiary company incorporated in India, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in many cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable excepting Professional tax amounting to ₹26 lakhs in one subsidiary company incorporated in India.

(₹ in lakhs)

Name of the Statute	Nature of Dues	Period	Amount	Due date
The Corporation Commissioner, Chennai	Professional Tax on Employment	2009-10 to 2014-15	26	Various dates from 2009 to 2015

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax andcess on account of any dispute, are as follows:

(₹ in lakhs)

Name of the Statute	Nature of Dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Tax and Interest	570	-	2005-06, 2006-07 and 2007-08	Income Tax Appellate Tribunal, Chennai Branch, Chennai
Income Tax Act 1961	Tax and Interest	332	-	2010-11 and 2011-12	Commissioner of Income Tax (Appeals), Chennai
Finance Act 1994	Tax and Penalty	6	-	2007-08 and 2008-09	Customs Excise and Service Tax Appellate Tribunal, Chennai
Finance Act 1994	Tax and Interest	24	4	2004-05 to 2010-11	Commissioner of Central Excise (Appeals), Chennai
Customs and Excise Act 1964	Tax and Penalty	411	-	2014-15	Director of Revenue Intelligence (DRI)
Kerala VAT Act 2003	Tax and Interest	44	35	2007-08	Deputy Commissioner (Appeals)
Uttar Pradesh VAT Act 2008	Tax and Interest	1	-	2002-03	Trade Tax Tribunal, Lucknow, UP
West Bengal VAT Act 2003	Tax and Interest	3	-	2001-02, 2003-04 and 2004-05	Asst. Commissioner, Park Street Charge, Kolkata
West Bengal VAT Act 2003	Tax and Interest	6	-	2006-07	Appellate & Revisional Board, Kolkata
West Bengal VAT Act 2003	Tax and Interest	9	-	2007-08 and 2010-11	Joint. Commissioner, Park Street Charge, Kolkata
Jharkhand VAT Act 2005	Tax and Interest	1	-	2007-08	Joint. Commissioner, Jharkand
Odisha VAT Act 2004	Tax and Interest	0	-	2011-12 and 2012-13 CST	Deputy Commerical Tax Officer, Odisha
Odisha VAT Act 2004	Tax and Interest	10	-	2011-12 and 2012-13 VAT	Deputy Commerical Tax Officer, Odisha
The Employees' Provident fund Act, 1952	Tax and Interest	184	4	2007-08	Regional Provident Fund Commissioner Forum, Tamil Nadu

*Amounts below the rounding off norm adopted by the Company is shown as '0'

(c) The Holding Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time. Further, in one subsidiary company incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii) (c) of the Order are not applicable.

(viii) In our opinion, the Holding Company has no accumulated losses at the end of the financial year. One subsidiary company incorporated in India has accumulated losses more than 50% of its Net Worth. The Holding Company and one subsidiary incorporated in India has not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Holding Company and one subsidiary incorporated in India has not defaulted in repayment of dues to any bank or financial institution during the year. The Holding Company and one subsidiary incorporated in India did not have any outstanding debentures during the year.

(x) In our opinion, the terms and conditions on which the Holding Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company. Further one subsidiary company incorporated in India has not given any guarantees for loans taken by others from banks or financial institutions.

(xi) In our opinion, the Holding Company has applied the term loans for the purpose for which these loans were obtained and one subsidiary company incorporated in India did not have any term loans outstanding during the year.

(xii) No fraud on or by the Holding Company and one subsidiary company incorporated in India has been noticed or reported during the period covered by our audit and based on the other auditor's report of subsidiary company incorporated in India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 05th May 2015

CONSOLIDATED BALANCE SHEET

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	9,119	9,273
		12,095	**12,249**
Minority Interest		**900**	**621**
Non-current liabilities			
Long-term borrowings	6	7,070	3,048
Deferred tax liability	7	-	371
Long-term provisions	8	600	309
		7,670	**3,729**
Current liabilities			
Short-term borrowings	9	12,312	11,157
Trade payables	10	7,064	5,886
Other current liabilities	11	5,582	4,000
Short-term provisions	8	98	81
		25,056	**21,124**
TOTAL		**45,721**	**37,723**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	2,468	2,454
Intangible asset	12	4,175	3,759
Capital work-in-progress		25	-
Intangible assets under development		74	20
Non-current investments	13	-	30
Deferred Tax Asset	7	61	-
Long-term loans and advances	14	4,867	5,356
Other non current assets	15	1,266	896
		12,936	**12,515**
Current assets			
Inventories	16	4,094	4,106
Trade receivables	17	20,290	14,332
Cash and bank balances	18	4,626	1,938
Short-term loans and advances	14	645	1,134
Other current assets	19	3,130	3,698
		32,785	**25,208**
TOTAL		**45,721**	**37,723**

Notes 1 to 36 form an integral part of these financial statements

This is the balance sheet refered to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from operations (Gross)	20	48,635	42,162
Less: Excise Duty		48	28
Revenue from operation (Net)		48,587	42,134
Other income	21	147	691
Total revenue (I)		**48,734**	**42,825**
Expenses			
Cost of raw material and components consumed	22	126	71
Purchase of Stock-in-trade	23	15,607	17,602
(Increase)/ decrease in inventory	24	13	215
Employee benefit expenses	25	11,669	9,394
Other expenses	26	16,252	11,301
Finance costs	27	2,255	2,616
Depreciation and amortization expense	28	1,203	1,107
Total Expenses		**47,125**	**42,306**
Profit before tax and prior period items		**1,609**	**519**
Prior period items	35	(1,505)	-
Profit / Loss before Tax		104	519
Tax expenses			
Current tax		162	78
MAT credit entitlement		-	(54)
Deferred tax		(378)	46
		(216)	**70**
Profit for the year		**320**	**449**
Minority Interest		414	112
(Loss / Profit after tax and minority interest for the year)		**(94)**	**337**
Basic ₹		(0.32)	1.32
Diluted ₹		(0.32)	1.32

Notes 1 to 36 form an integral part of these financial statements

This is statement of profit and loss refered to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

CASH FLOW STATEMENT

(All amounts in Indian rupees lakhs, unless otherwise stated)

	March 31, 2015	March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	104	519
Adjustments for:		
Depreciation and amortization expense	1,203	1,107
Interest expenses	2,255	2,616
Unrealized foreign exchange gain	(47)	-
Provision for gratuity and compensated absences	307	(216)
Provision for diminution in value of investments	30	-
Provision for doubtful receivables	671	33
Bad debts written off	116	257
Interest income	(97)	(51)
Operating profit before working capital changes	**4,541**	**4,265**
Adjustments for:		
Increase / (decrease) in trade payables	1,176	(1,203)
Increase / (decrease) in other current liabilities	2,956	(553)
(Increase) / decrease in trade receivables	(6,744)	449
Decrease in inventories	12	281
Decrease / (increase) in long-term loans and advances	15	(173)
(Increase) in other non current assets	(329)	(35)
Decrease in short-term loans and advances	489	(59)
Decrease / (increase) in other current assets	625	(1,872)
Cash generated from operations	**2,741**	**1,100**
Direct taxes refund/(paid), net	347	(1,314)
Net cash generated from/(used in) operating activities	**3,088**	**(214)**
B. Cash flow from investing activities		
Purchase of assets (including capital work in progress and capital advances)	(1,832)	(1,326)
Interest received	97	51
Movement in bank deposits	(66)	25
Net cash (used in) investing activities	**(1,801)**	**(1,250)**
C. Cash flow from financing activities		
Increase/(decrease) in short term borrowings, net	1,155	(1,638)
Proceeds from long term borrowings	5,539	3,499
Repayment of long term borrowings	(2,849)	(595)
Proceeds from fresh issue of shares including securities premium	-	2,475
Payment of dividend	(1)	-
Interest paid to banks and others	(2,248)	(2,517)
Net cash generated from financing activities	**1,596**	**1,224**

CASH FLOW STATEMENT
(All amounts in Indian rupees lakhs, unless otherwise stated)

	March 31, 2015	March 31, 2014
D. Net cash flows during the year	2,883	(240)
E. Cash and cash equivalents at the beginning	1,161	1,970
Effects of foreign currency translation	160	569
F. Cash and cash equivalents at the end	**3,884**	**1,161**
Cash and cash equivalents comprise of:		
Cash on hand	17	16
Cheques on hand	1,072	1
Balances with banks - in current accounts	2,795	1,144
Cash and cash equivalents as per note 18	**3,884**	**1,161**

This is the cash flow statement referred to in our report of even date

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

Summary of significant accounting policies and other explanatory information

1. General Information:

(a) Background:

Accel Frontline Limited and its subsidiaries (Collectively referred to as “the group”) (“Accel” or the Company) was incorporated on 8 June 1995. The Company’s principal lines of business is IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, development, implementation and maintenance of software applications.

(b) Comparatives:

All amounts in the consolidated financial statements are presented in ₹. in lakhs except per share data and as otherwise stated. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year. The previous year figures have been audited by a firm other than Walker Chandiok & Co LLP.

2 Significant accounting policies

(a) Basis of preparation of financial statements

These consolidated financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year except for the change in accounting policy explained in note 12 (iii). The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Basis of Consolidation

The Consolidated financial statements include the financial statements of the Subsidiary companies as listed below. The financial statements of the subsidiary undertakings forming part of these consolidated financial statements are drawn up to 31 March 2015. Subsidiaries are all entities over which the Company has the ability to control the financial and operating policies. All material inter-company transactions and accounts are eliminated on consolidation.

The Company has the following subsidiaries.

Name	Holding	Country of incorporation/origin
Accel Systems & Technologies Pte. Ltd., Singapore.	51%	Incorporated under the laws of Singapore.
Accel Frontline JLT	100%	Established as a wholly owned subsidiary enterprise as per the license by Jumerah Lake Towers, Dubai
Network Programs (USA), Inc.	100%	Incorporated under the laws of the State of Delaware, USA.
Network Programs (Japan), Inc.	100%	Incorporated under the laws of the State of Delaware, USA.
Accel Japan, KK	100%	Incorporated under the law of Japan in Tokyo, Japan.
Accel North America, Inc.	100%	Incorporated under the laws of the State of California, USA.
Accel IT Resources Limited	100%	Incorporated under the laws of India.
Accel Technologies Limited	100%	Incorporated under the laws of United Kingdom

(c) Principles of consolidation:

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on ‘Consolidated financial statements’ as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The consolidated financial statements are prepared on the following basis:

(i) The financial statements of the holding company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses except as stated below based on the audited accounts.

(ii) The intra group balances, intra group transactions, thereon have been fully eliminated.

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the holding company and its share in the relevant reserves of the subsidiary.

Minorities’ interest in net profits/losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income

Summary of significant accounting policies and other explanatory information

attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the holding company, except where there is contractual/legal obligation on minority.

As far as practicable, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the parent having no bearing on the true and fair view of the consolidated financial statements of the group is not disclosed in the consolidated financial statements.

(d) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of consolidated financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include provision for doubtful receivables, investments and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Management believes the estimates are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(e) Tangible assets and depreciation

Tangible assets are stated at acquisition cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met as per Accounting standards 16 and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes all expenses attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013, except for the certain computers and its peripherals the useful life of which is estimated by the management based on specific internal and external technical evaluation. The useful life of each block of assets is as follows:

Asset	Useful life
Plant and machinery	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 to 6 years
Vehicles	6 years
Lease hold improvements	Over the lower of estimated useful lives of the assets or the primary period of the lease.

(f) Intangible assets and amortization

Intangible assets acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Measurement subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes

Summary of significant accounting policies and other explanatory information

the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of Consolidation is not amortised.

A summary of amortization rates applied to the Group's intangible assets is as below:

	Rates (SLM)
Goodwill	10%
Brands/trademarks	10%
Patents and intellectual property rights (IPR)	10%
Technical know-how	10%
Software	14.29%

(g) Leases

Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of leases are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in the Schedule II to the Companies Act, 2013, whichever is higher. However if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Borrowing costs

Borrowing cost includes interest incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Inventories

Inventories include raw materials, components, stock in trade, finished goods, stores and spares and work-in progress.

Inventories of raw material, stock-in-trade are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes all charges in bringing the goods to the point of sale. Cost is determined on weighted average cost basis.

Summary of significant accounting policies and other explanatory information

Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labor and a portion of the manufacturing overheads. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and estimated cost necessary to make the sale.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Income from Annual maintenance contracts is recognized proportionately over the period of the respective contracts. Accrued income shown under "other current assets" represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Revenues from maintenance contracts are usually recognized as the service is performed, by the proportionate completion method (pro-rata) over the period of the service as and when services are rendered. The company collects taxes on behalf of the government and remits the same to the government; therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Software Services

Software services are either provided on a time & material basis or on a fixed price basis. IT Services provided on a time & material basis are recognized in the period in which the services are performed. IT Services provided on a fixed price basis are recognized based on the milestones as specified in the contracts. Unbilled revenue included under Other Current Assets represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividends

The company recognizes dividend as income only when the right to receive the same is established by the reporting date.

(l) Foreign currency transactions

A foreign currency transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are dealt with in the statement of profit and loss.

Gain or loss on forward exchange contract, not in the nature of hedge, is calculated based on difference between forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate. The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of contract and exchange differences on such contracts is recognised as income or expense in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

(m) Translation of integral and non-integral foreign operations

The group classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

Summary of significant accounting policies and other explanatory information

(n) Retirement and employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company's contribution towards the Provident Fund is charged to the statement of profit and loss. The interest rate payable to the members of the Trust formed by the company for managing the provident fund shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the short fall, if any, shall be made good by the Company.

The Company also provides for retirement benefits in the form of gratuity as per the provisions of "The Payment of Gratuity Act, 1972", which is a defined benefit plan. The Company provides the gratuity benefit through annual contribution to a fund. Liabilities related to the gratuity plan are determined by actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains or losses are recognised immediately in the statement of profit and loss.

Provision for compensated absence is made by the Company based on the unavailed leave standing to the credit of employees as at the balance sheet date in accordance with the service rules of the Company. Liabilities related to the compensated absence are determined by actuarial valuation carried out as at the balance sheet date. Actuarial gain or loss recognised immediately in the statement of profit and loss.

Overseas entities

Post-employment benefits

- **Defined contribution**

The group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(o) Taxation

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specific period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The Group offsets deferred tax assets and deferred tax liabilities if there is a legally enforceable right to set off assets against liabilities representing current tax.

(p) Impairment

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the

Summary of significant accounting policies and other explanatory information

asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

(q) Provisions

A provision is recognized when the group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;

b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) present obligation, where a reliable estimate cannot be made.

(s) Cash and Cash equivalents

In the cash flow statement, cash and cash equivalent includes cash in hand, cheques on hand, balances with banks in current accounts and other short term highly liquid investments with original maturities of three months or less.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Identification of segments

Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

3 Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the fiscal year ended 31 March 2015 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015 Nos.	Amount	As at March 31, 2014 Nos.	Amount
4	**Share capital**				
	Authorised				
	Equity shares of 10/- each	33,000,000	3,300	33,000,000	3,300
	Issued, Subscribed & fully Paid up				
	Equity shares of 10/- each	29,761,873	2,976	29,761,873	2,976
		29,761,873	**2,976**	**29,761,873**	**2,976**
a)	**Reconciliation of share capital**				
	Balance at the beginning of the year	**29,761,873**	**2,976**	**24,261,873**	**2,426**
	Add: Shares Issued during the year	-	-	5,500,000	550
	Balance at the end of the year	**29,761,873**	**2,976**	**29,761,873**	**2,976**

₹ in Lakhs

		As at March 31, 2015 Nos.	Amount	As at March 31, 2014 Nos.	Amount
b)	**Shares held by the ultimate holding company**				
	Equity Shares of ₹10/- each				
	CAC Holding Corporation,	17,857,125	1,786	18,141,175	1,814

c) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
Equity Shares of Rs. 10 each				
CAC Holding Corporation, Ultimate Holding Company	17,857,125	60.00%	18,141,175	60.95%
Accel Limited Promoter Company	4,368,768	14.68%	7,797,191	26.20%

d) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each share holder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

e) As at 02nd March, 2015, the Company had not achieved the Minimum Public Shareholding (MPS) requirements as stipulated by the listing agreement. Accordingly the promoter group namely CAC Holding Corporation and Accel Limited have written to Securities and Exchange Board of India (SEBI) seeking approval for extension of time and advice on the further steps to be taken to divest the excess share holding of 87,574 (0.29%) equity shares held by the promoter group, so as to achieve the Minimum Public Shareholding requirements.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately precceding 31st March, 2015.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015	As at March 31, 2014
5	**Reserves and surplus**		
	Securities premium reserve		
	Balance as at the beginning of the year	6,857	4,932
	Add : Securities premium credited on Share issue	-	1,925
	Balance as at the end of the year	**6,857**	**6,857**
	General reserve	859	859
	Surplus in the statement of profit and loss		
	Balance at the beginning of the year	1,514	1,177
	Add : Transferred from statement of profit and loss	(94)	337
	Less: Adjustments consequent to change in useful life of assets (net of deferred tax), (Also refer note 12(iii))	(205)	-
	Balance at the end of the year	**1,215**	**1,514**
	Foreign currency translation reserve	**188**	**43**
		9,119	**9,273**
6	**Long term borrowings**		
	Secured		
	Term loans from banks (Also, refer note (a) below)	-	1,530
	Long term maturities of finance lease obligations (Also, refer note (b) below)	57	44
	Loan against keyman insurance policy (Also, refer note (c) below)	118	108
	Unsecured		
	Loans and advances from related parties (Also, refer note (d) below)	6,895	1,366
		7,070	**3,048**

a. Term loans from banks represent loans from State bank of India to the tune of ₹ Nil at an interest rate of 0% (As at 31st March, 2014: ₹2,507 at an interest rate 14.50% p.a.) and Dhanalaxmi Bank ₹ Nil at an interest rate of 0% (As at 31st March, 2014: ₹707 at an interest of 13.50% p.a.)

b. The loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The loans are repaid in accordance to the repayment schedule agreed with the lessor. Also, refer note 12(iv)

The details of lease commitments in terms of minimum lease payments are as follows:

Payments falling due:	As at March 31, 2015	As at March 31, 2014
Payable not later than 1 year	33	130
Payable later than one year but not later than 5 years	57	44
Total	**90**	**174**

c) Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with maturity value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up.

d) The loans and advances from related parties represents loan from the holding company, CAC Holding Corporation, to Accel Frontline Limited to the tune of ₹3,649 (As at 31st March, 2014: Nil) at an interest rate of 4.5%+6 Months LIBOR Rate and the entire amount being repayable in 2021-22.

- Accel North America to the tune of ₹1,442 (As at 31st March 2014: Nil) at an interest rate of 3.25%+6 Months LIBOR Rate and repayable in 2016 - 2017and 2017 - 2018.
- Network Programmes USA, to the tune of ₹438 (As at 31st March, 2014: Nil) at an interest rate of 3.25%+6 Months LIBOR Rate and repayable in 2016 - 2017and 2017 - 2018"

The loans and advances from related parties also includes loans from Accel Limited to the tune of ₹1,366 (As at 31st March 2014: ₹1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also refer note 31.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015	As at March 31, 2014
7	**Deferred Tax Assets / Liability, Net**		
	The breakup of net deferred tax (asset)/liability is as follows:		
	Deferred tax liability arising on account of :		
	Timing difference between depreciation/ amortization as per financials and depreciation as per tax	684	526
	Others items	16	-
		700	**526**
	Deferred tax asset arising on account of :		
	Provision for employee benefits	(219)	(116)
	Provision for doubtful receivables	(257)	(39)
	Provision for diminution in value of investments	(9)	-
	Unearned revenue	(101)	-
	Unabsorbed depreciation	(175)	-
	Net deferred tax (asset)/liability	**(61)**	**371**
	*** Movement during the year**		
	Opening balance	371	326
	Recognized in the statement of profit and loss	(378)	45
	Recognized in reserves and surplus	(54)	-
	Closing balance	**(61)**	**371**

		As at 31 March 2015		As at 31 March 2014	
		Long Term	Short Term	Long Term	Short Term
8	**Provisions**				
	Provisions for employee benefits				
	Gratuity (Also refer note a(i) below)	490	96	235	79
	Compensated absences (Also refer note a(ii) below)	110	2	75	2
		600	**98**	**309**	**81**

a) Employee Benefits

(i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

Change in projected benefit obligation	**As at March 31, 2015**	**As at March 31, 2014**
Projected benefit obligation at the beginning of the year	345	486
Current Service cost	47	33
Interest cost	33	40
Actuarial loss/(gain)	237	(154)
Benefits paid	(94)	(53)
Projected benefit obligation at the end of the year	**568**	**353**
Change in plan assets		
Fair value of plan assets at the beginning of the year	164	205
Expected return on plan assets	13	16
Employer contributions	13	11
Benefits paid	(94)	(52)
Actuarial (loss) on plan assets	(1)	(16)
Fair value of plan assets at the end of the year	**97**	**164**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	568	353
Fair value of plan assets at the end of the year	97	164
Liability recognised in the balance sheet	**471**	**188**
Thereof		
Unfunded	471	188
Components of net gratuity costs are		
Current service cost	47	33
Interest cost	33	40
Expected returns on plan assets	(13)	(16)
Recognized net actuarial loss	237	(154)
Net gratuity costs recognised in the income statement	**304**	**(97)**
Principal actuarial assumptions used:		
Discount rate	8.25%-9%	8%-8.25%
Long-term rate of compensation increase	5%-8%	5%-8%
Expected rate of return on plan assets	8%	8%
Average remaining life (in years)	24-28	24-29
Attrition rate	1.92%-2%	1.92%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

the following table sets out the funded status of gratuity plan and the amounts recognised in the Financial Statements

Net (liability) recognized in balance sheet	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011
Present value of defined benefit obligation	(568)	(353)	(113)	(100)	(76)
Fair value of plan assets	97	164	-	-	-
(Deficit) in the plan	(471)	(189)	(113)	(100)	(76)

(ii) Compensated absences

The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :		
Discount rate	8.25%-9%	8%-8.25%
Long-term rate of compensation increase	5%-8%	5%-8%
Average remaining life	24-28	24-29
Attrition rate	1.92%-2%	1.92%

9 Short term borrowings

Secured		
Repayable on demand from banks	12,294	11,057
Unsecured:		
Loans from related parties	18	100
	12,312	**11,157**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
(a) Details of guarantee		
Guaranteed by Holding company		
From banks		
- Term Loans	4,500	-
- Cash credit	305	-
- Letter of crerdit	1,615	-
Guaranteed by Director and Promoter company From banks		
- Cash credit	3,590	5,805
- Letter of crerdit	55	1,216

(b) Details of terms and security

The Company has availed a working capital demand loan worth ₹45 crores (31st March, 2014 Nil) from Sumitomo Mitsui Banking Corporation at an interest rate of 10.90% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

The Company has also availed cash credit facility of ₹5 crores from Sumitomo Mitsui Banking Corporation at an interest rate of 12.60% which is secured by a Corporate Guarantee provided by CAC Holdings corporation, Japan

Cash credits gurarranteed by director and promoter company represents:

- borrowings availed from SBI bank at an interest rate of 14.50% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Company, including book debts and inventories and first and exclusive charge on certian properties owned by promoter company

- borrowings availed from IDBI bank at an interest rate of 14% which is secured by pari passu charge on all the current assets and moveable assets of the Company, including book debts and inventories.

Working capital loans gurarranteed by director and promoter company represents loan from IDBI at an interest rate of 14% which is secured by first charge on pari passu basis on all the current assets and moveable assets of the Company, including book debts and inventories and first and exclusive charge on certian properties owned by the promoter company.

The Company has also availed cash credits from Axis bank at an interest rate of 13.50% which is secured by pari passu charge on all the current assets and moveable assets of the company, including book debts and inventories

The Company has availed letter of credits from banks which are secured by the hypothecation of goods purchased under the letter of credit.

10 Trade payables

Dues to micro and small enterprises*	-	-
Dues to others	7,064	5,886
	7,064	**5,886**

* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

11 Other current liabilities

Current maturities of long-term debt:- (also refer note 6 (a) and 6(b) for security details)		
Term Loans from banks	-	1,235
Finance lease obligations	33	130
Unearned revenue	2,131	342
Unpaid dividends	6	7
Statutory dues	413	999
Employee related payables	795	742
Other payables	2,205	545
	5,582	**4,000**

There are no amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

12 Fixed Assets

₹ in Lakhs

Particulars	TANGIBLE ASSETS								INTANGIBLE ASSETS				
	Lease-hold improve-ments	Plant and machin-ery	Furniture and electrical fittings	Office equip-ment	Computers	Vehi-cles	Build-ings	Total of tangible assets (A)	Good-will	Computer software	Copy rights/ Technical Knowhow	Total of intan-gible assets (B)	Grand Total (A+B)
Gross block													
Balance as at 1 April 2013	661	291	614	348	1,946	262	120	4,242	2,920	2,978	172	6,070	10,312
Additions	6	4	4	13	580	38	-	645	-	408	-	408	1,053
Deletions	38	3	10	15	225	17	120	428	-	-	-	-	428
Balance as at 31 March 2014	**629**	**292**	**608**	**346**	**2,301**	**283**	**-**	**4,459**	**2,920**	**3,386**	**172**	**6,478**	**10,937**
Adjustments (Also, refer note (v) below)	-	(26)	3	(5)	(226)	-	-	(254)	-	254	-	254	-
Additions	72	97	19	6	991	-	-	1,185	-	533	-	533	1,718
Disposals	25	-	-	-	-	-	-	25	-	-	-	-	25
Exchange fluctuation	(1)	1	4	1	(1)	2	-	6	153	17	-	170	176
Balance as at 31 March 2015	**675**	**364**	**634**	**348**	**3,065**	**285**	**-**	**5,371**	**3,073**	**4,190**	**172**	**7,435**	**12,806**
Accumulated depreciation/amortization													
Balance as at 1 April 2013	308	101	287	117	840	93	7	1,753	262	1,829	77	2,168	3,921
Depreciation/amortization for the year	98	18	45	17	350	27	1	556	187	356	8	551	1,107
Reversal on disposal of assets	38	3	10	15	217	13	8	304	-	-	-	-	304
Balance as at 31 March 2014	**368**	**116**	**322**	**119**	**973**	**107**	**-**	**2,005**	**449**	**2,185**	**85**	**2,719**	**4,724**
Depreciation/amortization for the year	117	(2)	34	56	442	19	-	666	135	368	34	537	1,203
Adjustments consequent to changes in useful life of assets	1	3	102	111	39	2	-	258	-	1	-	1	259
Reversal on disposal of assets	24	-	-	-	-	-	-	24	-	-	-	-	24
Exchange fluctuation	(2)	-	1	1	-	(2)	-	(2)	-	3	-	3	1
Balance as at 31 March 2015	**460**	**117**	**459**	**287**	**1,454**	**126**	**-**	**2,903**	**584**	**2,557**	**119**	**3,260**	**6,163**
Net block													
Balance as at 31 March 2014	**261**	**176**	**286**	**227**	**1,328**	**176**	**-**	**2,454**	**2,471**	**1,201**	**87**	**3,759**	**6,213**
Balance as at 31 March 2015	**215**	**247**	**175**	**61**	**1,611**	**159**	**-**	**2,468**	**2,489**	**1,633**	**53**	**4,175**	**6,643**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

(i) Capital work in progress of ₹25 lakhs (As at 31st March, 2014: : Nil) as appearing in the balance sheet represents capital assets which are pending completion/installation.

(ii) As at 31st March, 2015, the Group has incurred expenditure to the tune of ₹74 lakhs (As at 31stMarch, 2014: ₹20 Lakhs) for software development which was not operational as at the balance sheet date. This expenditure has been disclosed as "Intangible assets under development".

(iii) Hitherto, depreciation on all tangible assets was provided on a straight-line method over the estimated useful life using the rates prescribed under Schedule XIV of the erstwhile Companies Act, 1956. Effective 1st April, 2014, in accordance with Schedule II of the Act, the Group has re-assessed the useful life and adapted the rates prescribed under Schedule II of the Act except for certain computer for which the Group has carried out certain technical evaluation to assess the useful life based on which the useful life has been determined to be high than those prescribed by Schedule II. Had the Group continued to use the earlier estimate for depreciation of all tangible assets the loss for the year ended 31st March, 2015 would have been lower by ₹201 lakhs and further an amount of ₹ 205 lakhs (net of deferred tax) has been charged to the opening balance of the reserves and surplus in respect of the assets whose remaining life is nil as at 1st April, 2014 in accordance with Schedule II to the Act.

(iv) The gross block and net carrying amount of the assets acquired under finance lease are as follows:

Assets class	As at 31 March 2015		As at 31 March 2014	
	Gross block	Net block	Gross block	Net block
Vehicles	102	69	102	83
Computers	63	48	63	59
Total	**165**	**117**	**165**	**142**

(v) Adjustments represents to reclassification of certain assets among the different classes based on their nature.

₹ in Lakhs

		As at March 31, 2015	As at March 31, 2014
13	**Non current investments**		
	Trade investments (Valued at cost unless stated otherwise)		
	Investments in equity instruments - Unquoted		
	Telesis Global Solutions Limited, India	30	30
	96,374 (Previous year: 96,374) Equity Shares of ₹10/- each fully paid up		
	Less: Provision for diminution in the value of Investment	(30)	-
		-	**30**
	Aggregate amount of unquoted investments	30	30
	Aggregate provision for diminution in value of investments	30	0

14 Loans and advances

	As at 31 March 2015 Long Term	As at 31 March 2015 Short Term	As at 31 March 2014 Long Term	As at 31 March 2014 Short Term
Unsecured, considered good				
Capital advances	35	-	-	-
Security deposits	348	-	120	-
Rental deposit	522	-	628	-
Balances with government authorities	246	383	119	521
Advance income-tax (net of provision for taxation)	3,625	-	4,134	-
MAT credit entitlement	67	-	67	-
Other loans and advances (also, refer note 31 (c))	24	262	288	613
	4,867	**645**	**5,356**	**1,134**

* No amount is due from officers of the Company.

		As at March 31, 2015	As at March 31, 2014
15	**Other Non Current Assets**		
	Prepaid expenses	528	199
	Non current bank balances (Also Refer Notes 18)	99	57
	Long Term Trade Receivable		
	Customer retention - Unsecured, considered good	639	640
		1,266	**896**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

			As at March 31, 2015	As at March 31, 2014
16	**Inventories**			
	Raw materials		83	82
	Stock-in-trade (includes goods-in-transit ₹. 104 (As at 31 March 14: Nil))		577	1,492
	Stores and spares		3,434	2,532
			4,094	**4,106**

a) During the current year, the Holding Company has migrated to a new software, with respect to the recording of inventory transactions pertaining to IMS division. This software due to certain inherent limitations is currently not capable of computing weighted average of consumption on a transaction basis and for the inventory used for rendering services by IMS division. Accordingly, the closing stock with respect to this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Company has not being able to ascertain the net realizable value of the inventory pertaining to IMS Division.

			As at March 31, 2015	As at March 31, 2014
17	**Trade receivables**			
	(Unsecured)			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Considered good		3,969	5,948
	Considered doubtful		792	121
			4,761	**6,069**
	Less : Provision for doubtful receivable		(792)	(121)
		(A)	**3,969**	**5,948**
	Other receivables			
	Considered good		16,321	8,384
		(B)	**16,321**	**8,384**
	(Also refer note 31(c))	**Total (A+B)**	**20,290**	**14,332**
18	**Cash and Bank Balances**			
	Cash and Cash equivalents			
	Cash on Hand		17	16
	Cheques on Hand		1,072	1
	Balances with banks current accounts		2,795	1,144
		(A)	**3,884**	**1,161**
	Other bank balances			
	Unpaid dividend account		6	7
	Balances with banks held as margin money		835	826
		(B)	**841**	**833**
	Less: Amounts disclosed as other non current assets (Also Refer Notes 15)	**(C)**	**99**	**57**
		Total (A+B-C)	**4,626**	**1,938**
19	**Other current assets**			
	(Unsecured, considered good)			
	Unbilled revenue		1,804	2,231
	Prepaid expenses		1,273	1,371
	Others assests		54	96
			3,130	**3,698**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
20	**Revenue from operations**		
	Sale of goods	24,431	21,287
	Sale of services	24,204	20,875
	Revenue from operations (Gross)	**48,635**	**42,162**
	Less : Excise duty	48	28
	Revenue from operations (Net)	**48,587**	**42,134**

(a) During the year, the Holding Company has recognized revenue of ₹397 with a corresponding cost in changes in inventories and stock-in-trade of ₹368 for shipments made during the year whereas the shipment was received and acknowledged by the customer after 31st March, 2015.

	Year ended March 31, 2015	Year ended March 31, 2014
Details of products sold / service rendered		
Manufactured goods		
(i) Multifunction Kiosk	88	38
(ii) QUE Management Systems	79	12
(iii) Touch screen information Kiosk	56	17
(iv) Others*	24	107
Total	**246**	**175**
Traded goods		
(i) Servers, desktops and Laptops	17,174	8,853
(ii) Software	2,706	1,799
(iii) Spares, accessories and network products	2,426	1,843
(iv) Others*	1,879	8,616
Total	**24,185**	**21,112**
Services rendered		
(i) Software services	7,580	8,195
(ii) AMC and facility management services	13,443	8,622
(iii) Warranty services	2,284	2,255
(iv) Others*	897	1,803
Total	**24,204**	**20,875**

* Individually less than 10% of the products sold / service rendered.

		Year ended March 31, 2015	Year ended March 31, 2014
21	**Other income**		
	Interest income	97	51
	Net foreign exchange gain	45	174
	Other non-operating income	5	466
		147	**691**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
22	**Cost of raw material and components consumed**		
	Opening stock	82	153
	Add : Purchases during the year	127	-
	Less: Closing stock	83	82
		126	**71**
	Details of cost of raw material and components consumed		
	Opening stock		
	(i) Monitors, CPU Assemblies, LCD display	7	34
	(ii) Printers	7	46
	(iii) Spares and accessories	68	73
	(iv) Others *	-	-
	Total	**82**	**153**
	Raw material purchases		
	(i) Monitors, CPU Assemblies, LCD display	51	-
	(ii) Printers	27	-
	(iii) Spares and accessories	49	-
	(iv) Others *	-	-
	Total	**127**	**-**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD display	6	7
	(ii) Printers	9	7
	(iii) Spares and accessories	68	68
	(iv) Others *	-	-
	Total	**83**	**82**
	Consumption details		
	(i) Monitors, CPU Assemblies, LCD display	52	27
	(ii) Printers	25	39
	(iii) Spares and accessories	49	5
	(iv) Others *	-	-
	Total	**126**	**71**
	* Individually less than 10% of the consumption		
23	**Purchases of Stock-in-Trade**		
	(i) Servers, desktops and laptops	8,329	7,001
	(ii) Softwares	2,446	1,699
	(iii) Spares, accessories and network products	2,263	1,536
	(iv) Others*	2,659	7,366
	Total	**15,607**	**17,602**
	* Individually less than 10% of the total purchases		

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
24	**Changes in inventories of stock-in-trade and stores and spares**		
	Closing Stock:		
	Stock-in-Trade	577	1,492
	Stores and spares	3,434	2,532
		4,011	**4,024**
	Opening Stock:		
	Stock-in-Trade	1,492	1,868
	Stores and spares	2,532	2,371
		4,024	**4,239**
	Net decrease in Inventories	**13**	**215**
25	**Employee benefits expense**		
	Salaries and wages	10,729	8,905
	Gratuity expense (Also, refer note 8 (a))	362	(73)
	Contribution to provident and other defined contribution funds	405	401
	Staff welfare expenses	173	161
		11,669	**9,394**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
26	**Other expenses**		
	Sub-contracting and outsourcing cost	9,784	5,512
	Power and fuel	580	275
	Rent	946	1,238
	Repairs and maintenance - others	360	384
	Insurance	116	144
	Rates and taxes	184	191
	Travelling and conveyance	1,215	1,086
	Communication costs	546	525
	Freight and forwarding	469	402
	Legal and professional fees	658	586
	Directors' sitting fees	13	8
	Payment to auditor (Also, refer note 30)	25	33
	Bad debts written off	116	257
	Provision for doubtful receivables	671	33
	Provision for diminution in value of investment	30	-
	Miscellaneous expenses	539	627
		16,252	**11,301**
	Interest	1,939	2,199
	Bank charges	316	417
		2,255	**2,616**
28	**Depreciation and amortization expense**		
	Depreciation of tangible assets (Also refer note 12)	666	556
	Amortization of intangible assets (Also refer note 12)	537	551
		1,203	**1,107**
29	**Earnings per equity share**		
	Nominal value of equity shares	10	10
	Profit attributable to equity shareholders (A)	(94)	337
	Weighted average number of equity shares outstanding during the year (B)	29,761,873	25,467,352
	Basic earnings per equity share (A/B) (in Rs.)	**(0.32)**	**1.32**
	Dilutive effect on profit (C)	-	-
	(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(94)	337
	Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
	Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	29,761,873	25,467,352
	Diluted earnings per equity share (D/F) (in Rs.)	**(0.32)**	**1.32**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
		₹ in Lakhs
30 Payments to auditors *		
As auditor		
Statutory audit	23	20
Limited review	2	3
Reimbursement of expenses	-	2
	25	**25**
In other capacity		
Other services	-	8
	25	**33**

* Previous year figures represents fees paid to predecessor auditors

31 Related parties

a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo Japan	Holding Company
CAC Corporation, Japan	Fellow Subsidiary
Accel Limited, Chennai	Promoter Company
Accel Transmatic Ltd	Subsidiary of Promoter Company
N.R.Panicker	Key Management Personnel (KMP)
Malcolm F Mehta	Key Management Personnel (KMP)
Shruthi Panicker	Relative of Key Management Personnel
Sreekumari Panicker	Relative of Key Management Personnel

Summary of significant accounting policies and other explanatory information

b) Transactions with related parties

₹ in Lakhs

Name of the related party	Year ended 31st March, 2015						Year ended 31st March, 2014					
	Sale of services	"Loan received/ (repaid)"	"Interest paid/ (received)"	Remune ration*	Other expenses	Reimburse-ments received/ receivable	Sale of services	Loan received	"Interest paid/ (received)"	Remune ration*	Other expenses	Reimburse-ments received/ receivable
CAC Holding Corporation, Tokyo Japan	-	5,529	133	-	-	295	-	-	-	-	-	-
CAC Corporation Japan	116	-	-	-	-	-	-	-	-	-	-	-
Accel Limited, Chennai	-	-	150	-	86	-	-	1,366	(20)	-	77	-
Accel Transmatic Ltd	-	-	-	-	14	43	3	-	(82)	-	37	54
N.R.Panicker	-	-	-	96	27	-	-	-	-	52	20	-
Malcolm F Mehta #	-	-	-	163	-	-	-	-	-	-	-	-
Shruthi Panicker	-	-	-	4	-	-	-	-	-	-	-	-
Sreekumari Panicker	-	-	-	-	9	-	-	-	-	-	-	-

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs.

Payment to Mr. Malcolm F Mehta is reimbursed by CAC Holding Corporation.

c. Balance with related parties

₹ in Lakhs

Name of the related party	As at 31 March, 2015				As at 31 March, 2014			
	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables
CAC Holding Corporation	7	5,529	-	33	-	-	-	-
CAC Corporation Japan	-	-	22	-	-	-	-	-
Accel Limited	-	1,366	-	39	-	1,366	-	4
Accel Transmatic Ltd	90	-	-	-	43	-	21	-
N.R.Panicker	-	-	-	2	82	-	-	-
Sreekumari Panicker	-	-	-	1	-	-	-	-

d) Maximum balances outstanding during the year is in accordance with Clause 32 of the listing agreement

₹ in Lakhs

Name of the related party	As at 31 March, 2015				As at 31 March, 2014			
	Loans received	Receivables	Loans and advances	Total	Loans received	Receivables	Loans and advances	Total
CAC Holding Corporation	3,649	-	-	3,649	-	-	-	-
CAC Corporation Japan	-	22	-	-	-	-	-	-
Accel Limited	1,366	-	98	1,464	-	-	576	576
Accel Transmatic Ltd	-	-	91	91	-	21	656	677

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

32 Segment reporting

Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting. The Company does not have any secondary segment.

The Company's principal lines of business is IT services which includes, providing system integration (SI) solutions comprising network design, hardware and software, IT Infrastructure management solutions (IMS), software development and support (SSD) and warranty management solutions (WMS) for imported and indigenous equipments, development, implementation and maintenance of software applications.

Year ended 31 March, 2015 **₹ In Lakhs**

Particulars	SI	IMS	SS	WMS	Training	Others	Total
Revenue from operations							
External sales (net of excise duty)	27,212	10,772	7,621	2,665	317	-	48,587
Total revenue from operations	**27,212**	**10,772**	**7,621**	**2,665**	**317**	**-**	**48,587**
Results							
Segment result	2,030	2,213	439	(221)	(42)	-	4,419
Other non-operating income	-	-	-	-		83	83
Unallocated corporate expenses	-	-	-	-		703	703
Operating profit/(loss)	2,030	2,213	439	(221)	(42)	(620)	3,799
Interest and finance charges	-	-	-	-		2,255	2,255
Interest income	-	-	-	-		(65)	(65)
Profit/(loss) before tax and prior period items	**2,030**	**2,213**	**439**	**(221)**	**(42)**	**(2,810)**	**1,609**
Prior period items	-	(1,433)	-	-	-	(72)	(1,505)
Profit/(loss) before tax	**2,030**	**780**	**439**	**(221)**	**(42)**	**(2,882)**	**104**
Income taxes	-	-	-	-		(216)	(216)
Profit/(loss) for the year	**2,030**	**780**	**439**	**(221)**	**(42)**	**(2,594)**	**320**
Other information							
Segment assets	15,193	13,747	7,236	2,342	120	-	38,638
Unallocated corporate assets	-	-	-	-	-	7,083	7,083
Total assets	**15,193**	**13,747**	**7,236**	**2,342**	**120**	**7,083**	**45,721**
Segment liabilities	10,123	9,862	4,756	1,502	575	-	26,818
Unallocated corporate liabilities	-	-	-	-	-	5,908	5,908
Total liabilities	**10,123**	**9,862**	**4,756**	**1,502**	**575**	**5,908**	**32,726**
Capital expenditure	118	937	707	66	4	-	1,832
Depreciation and amortization	148	288	633	100	34	-	1,203
Other non cash expenditure, net	427	174	133	54	-	30	817

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Year ended 31 March 2014 **₹ In Lakhs**

Particulars	SI	IMS	SS	WMS	Training	Others	Total
Revenue from operations							
External sales (net of excise duty)	22,276	9,318	7,204	2,977	359	-	42,134
Total revenue from operations	**22,276**	**9,318**	**7,204**	**2,977**	**359**	**-**	**42,134**
Results							
Segment result	603	1,482	569	121	(86)	-	2,689
Other non-operating income	-	-	-	-	-	465	465
Unallocated corporate expenses	-	-	-	-	-	245	245
Operating profit/(loss)	**603**	**1,482**	**569**	**121**	**(86)**	**220**	**2,909**
Interest and finance charges	-	-	-	-	-	2,441	2,441
Interest income	-	-	-	-	-	(51)	(51)
Profit/(loss) before tax	**603**	**1,482**	**569**	**121**	**(86)**	**(2,170)**	**519**
Income taxes	-	-	-	-	-	70	70
Profit/(loss) before tax	**603**	**1,482**	**569**	**121**	**(86)**	**(2,240)**	**449**
Other information							
Segment assets	14,234	8,585	4,222	2,672	615	-	30,328
Unallocated corporate assets	-	-	-	-	-	7,395	7,395
Total assets	**14,234**	**8,585**	**4,222**	**2,672**	**615**	**7,395**	**37,723**
Segment liabilities	8,574	6,149	2,569	1,859	235	-	19,386
Unallocated corporate liabilities	-	-	-	-	-	5,467	5,467
Total liabilities	**8,574**	**6,149**	**2,569**	**1,859**	**235**	**5,467**	**24,853**
Capital expenditure	847	16	462	106	50	38	1,519
Depreciation and amortization	159	128	609	123	70	18	1,107
Other non cash expenditure, net	47	184	3	24	-	33	290

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

33 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31st March, 2015 and 2014 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ In Lakhs

	As at March 31, 2015	As at March 31, 2014
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	100	143
(ii) Due later than one year and not later than five years	33	133
(iii) Due later than five years	-	-
	133	**276**
Lease payments charged off to the statement of profit and loss	946	1,238

34 Contingent Liabilities

Claims against the company not acknowledged as debt		
Sales tax	75	87
Service tax	30	30
Income tax	902	1,037
Customs duty	411	0
Providet Fund	184	184
Others	305	222

35 Prior period item includes ₹ 1,433, representing revenues pertaining to certain back to back annual maintenance contracts recognized in the previous year based on the billing instead of straight lining the revenue over the period of the contract. The Company has revised the process of revenue recognition retrospectively during the year ended 31st March, 2015. Further, it includes ₹72 relating to employee benefit expenses.

36 Commitments

The Company did not have any capital commitments as at the balance sheet date. Other commitments are cancellable at the option of the company and hence not disclosed.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

FORM AOC - 1

(PURSUANT TO FIRST PROVISO TO SUB SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES.

(All amount in Indian ₹ in Lakhs)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	**Accel Systems & Technologies Pte Ltd**	**Accel Frontline JLT**	**Accel North America Inc**	**Accel Technologies Ltd**	**Accel Japan KK**	**Network Program USA Inc**	**Network Programs (Japan) USA**	**Accel IT Resources Ltd**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015	As on 31-03-2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	SGD - Exchange Rate as on 31-03-2015 - 45.4985	AED - Exchange Rate as on 31-03-2015 - 17.0218	USD - Exchange Rate as on 31-03-2015 - 62.5908	GBP - Exchange Rate as on 31-03-2015 - 92.4591	JPY - Exchange Rate as on 31-03-2015 - 0.5211	USD - Exchange Rate as on 31-03-2015 - 62.5908	USD - Exchange Rate as on 31-03-2015 - 62.5908	INR
Share capital	1,046	51	410	18	55	31	94	300
Reserves & surplus	785	1,056	(363)	(104)	(161)	(231)	(16)	(379)
Total assets	4,542	4,146	2,322	5	198	323	113	229
Total Liabilities	4,542	4,146	2,322	5	198	323	113	229
Investments	-	-	-	-	-	-	-	-
Turnover	6,706	5,775	3,591	-	618	53	-	327
Profit before taxation	991	472	(50)	-	(40)	(28)	-	(20)
Provision for taxation	145	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit after taxation	846	472	(50)	-	(40)	(28)	-	(20)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	51	100	100	100	100	100	100	100

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Place : Chennai
Date : 05th May, 2015

Sweena Nair
Company Secretary

Independent Auditor's Report on Financial Statement

To the Members of Accel Frontline Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Accel Frontline Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branch at Singapore.

Management's Responsibility for the Standalone Financial Statements

2. 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 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. 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.

5. 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 standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. *As disclosed in note 20 (a) of the financial statements, during the year the Company has recognised revenue from operations amounting to ₹397 lakhs however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 – 'Revenue Recognition'. Had the Company followed the principles of AS 9, the revenue from operations and the changes in inventories of stores and spares and stock in trade for the year ended 31st March, 2015 would have been lower by ₹397 lakhs and ₹368 lakhs respectively. The loss from ordinary activities after tax would have been higher by ₹29 lakhs and tax expense would be lower by ₹9 lakhs for the year ended 31st March, 2015. Further, the trade receivables as at 31st March, 2015 would be lower by ₹397 lakhs and the inventories would be higher by ₹368 lakhs as at that date.*

9. *Further, as disclosed in note 16(a) of the financial statements, the Company's inventory comprise of certain items carried at ₹3,044 lakhs as at 31st March, 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with the 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 evidence we are unable to comment on the impact, of the aforesaid matter on the changes in inventories of stock-in-trade and store and sparesfor the year ended 31st March, 2015 and the carrying value of inventories as at 31st March, 2015 and the consequential impact, if any, on the financial statements.*

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the effect / possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143(3) of the Act, we report that:

    a. we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph 9, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph 9 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 booksand proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

    c. the report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

    d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

    e. except for the effects / possible effects of the matters described in the Basis for Qualified Opinion paragraph in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    f. on the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act;

    g. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;

    h. 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. as detailed in note 39 to the standalone financial statements, the company has disclosed the impact of pending litigations on its standalone position of the Company

    ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 05th May, 2015

Annexure to the Independent Auditor's Report of even date to the members of Accel Frontline Limited, on the financial statements for the year ended 31st March, 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory except that due to the reasons mentioned the note 16(a) to the financial statements, the new software is not able to generate the details with respect to the issue of inventory in a chronological manner. No material discrepancies between physical inventory and book records were noticed on physical verification

(iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) as the terms and conditions of the said loan are not stipulated, we are unable to comment as to whether the receipt of the principal amount is regular; and

(b) in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of ₹. one lakh and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in many cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure to the Independent Auditor's Report of even date to the members of Accel Frontline Limited, on the financial statements for the year ended 31st March, 2015

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

₹ in Lakhs

Name of the Statute	Nature of Dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Tax and Interest	570	-	2005-06, 2006-07 and 2007-08	Income Tax Appellate Tribunal, hennai Branch, Chennai
Income Tax Act 1961	Tax and Interest	332	-	2010-11 and 2011-12	Commissioner of Income Tax (Appeals), Chennai
Finance Act 1994	Tax and Penalty	6	-	2007-08 and 2008-09	Customs Excise and Service TaxAppellate Tribunal, Chennai
Customs and Excise Act 1964	Tax and Penalty	411	-	2014-15	Director of Revenue Intelligence (DRI)
Kerala VAT Act 2003	Tax and Interest	44	35	2007-08	Deputy Commissioner(Appeals)
Uttar Pradesh VAT Act 2008	Tax and Interest	1	-	2002-03	Trade Tax Tribunal,Lucknow, UP
West Bengal VAT Act 2003	Tax and Interest	3	-	2001-02, 2003-04 and 2004-05	Asst. Commissioner, Park Street Charge, Kolkata
West Bengal VAT Act 2003	Tax and Interest	6	-	2006-07	Appellate &Revisional Board, Kolkata
West Bengal VAT Act 2003	Tax and Interest	9	-	2007-08 and 2010-11	Joint. Commissioner, Park Street Charge, Kolkata
Jharkhand VAT Act 2005	Tax and Interest	1	-	2007-08	Joint. Commissioner, Jharkand
Odisha VAT Act 2004	Tax and Interest	0	-	2011-12 and 2012-13 CST	Deputy Commercial Tax Officer,Odisha
Odisha VAT Act 2004	Tax and Interest	10	-	2011-12 and 2012-13 VAT	Deputy Commercial Tax Officer, Odisha

*Amounts below rounding off norm adopted by the Company is shown as '0'

Annexure to the Independent Auditor's Report of even date to the members of Accel

Frontline Limited, on the financial statements for the year ended 31st March, 2015

(c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

(viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.

(x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 05th May, 2015

Balance Sheet as at

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,976	2,976
Reserves and surplus	5	8,428	9,290
		11,404	**12,266**
Non-current liabilities			
Long-term borrowings	6	5,190	3,041
Deferred tax liability	7	-	371
Long-term provisions	8	479	223
		5,669	**3,635**
Current liabilities			
Short-term borrowings	9	12,274	10,909
Trade payables	10	3,611	3,534
Other current liabilities	11	3,716	3,369
Short-term provisions	8	97	27
		19,698	**17,839**
TOTAL		**36,771**	**33,740**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	2,196	2,120
Intangible assets	12	2,405	2,099
Capital work-in-progress		25	-
Intangible assets under development		74	21
Non-current investments	13	2,468	2,498
Deferred tax asset	7	61	-
Long-term loans and advances	14	4,715	5,089
Other non current assets	15	782	547
		12,726	**12,374**
Current assets			
Inventories	16	4,061	4,066
Trade receivables	17	14,028	11,629
Cash and bank balances	18	1,977	828
Short-term loans and advances	14	991	1,480
Other current assets	19	2,988	3,363
		24,045	**21,366**
TOTAL		**36,771**	**33,740**
Notes 1 to 41 form an integral part of these financial statements			

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of
Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

STATEMENT OF PROFIT AND LOSS
(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from operations (Gross)	20	34,065	29,708
Less: Excise duty		48	28
Revenue from operations (Net)		34,017	29,680
Other income	21	192	409
TOTAL REVENUE		**34,209**	**30,089**
EXPENSES			
Cost of raw material and components consumed	22	126	72
Purchases of Stock-in-Trade	23	13,643	12,185
Changes in inventories of stock in trade & stores & spares	24	6	175
Employee benefits expense	25	7,773	5,971
Other expenses	26	9,084	7,916
Finance costs	27	2,128	2,503
Depreciation and amortization expense	28	1,050	972
TOTAL EXPENSES		**33,810**	**29,794**
Profit before tax and prior period items		**399**	**295**
Prior period items	40	**(1,505)**	**-**
(Loss) / Profit before tax		**(1,106)**	**-**
Tax expense			
Current tax		17	59
MAT credit entitlement		-	(54)
Deferred tax		(378)	45
		(361)	**50**
Profit for the year		**(745)**	**245**
"Earnings per share (Nominal value in Rs.10 per share) (In Rs.)"	29		
Basic ₹		(2.50)	0.96
Diluted ₹		(2.50)	0.96

Notes 1 to 41 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of
Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

CASH FLOW STATEMENT

(All amounts in Indian rupees lakhs, unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before tax		(1,106)	295
Adjustments for:			
Depreciation and amortization expense		1,050	972
Interest expenses		2,128	2,503
Unrealized foreign exchange gain		(47)	-
Provision for gratuity and compensated absences		326	(118)
Provision for diminution in value of investments		30	-
Provision for doubtful receivables		671	33
Bad debts written off		75	231
Interest and dividend income		(145)	(175)
Operating profit before working capital changes		**2,982**	**3,741**
Adjustments for:			
Increase/(decrease) in trade payables		75	(1,881)
Increase/(decrease) in other current liabilities		1,722	(618)
(Increase)/decrease in trade receivables		(3,009)	153
Decrease in inventories		5	247
Decrease/(increase) in long-term loans and advances		310	(314)
(Increase) in other non current assets		(329)	(79)
Decrease in short-term loans and advances		489	495
Decrease/(increase) in other current assets		375	(1,539)
Cash generated from operations		**2,620**	**205**
Direct taxes refund/(paid), (net)		82	(1,036)
Net cash generated from/(used in) operating activities		**2,702**	**(831)**
B. Cash flow from investing activities			
Purchase of assets (including capital work in progress and capital advances)		(1,715)	(1,001)
Interest and dividend received		145	175
Movement in bank deposits		-	(5)
Net cash (used in) investing activities		**(1,570)**	**(831)**
C. Cash flow from financing activities			
Increase /(decrease) in short-term borrowings, net		1,365	(1,589)
Proceeds from long-term borrowings		3,659	3,493
Repayment of long-term borrowings		(2,842)	(680)
Proceeds from fresh issue of shares including securities premium		-	2,476
Purchase of Investments		-	(317)
Payment of dividend		(1)	-
Interest paid to banks and others		(2,121)	(2,503)
Net cash generated from financing activities		**60**	**880**
Net cash increase/(decrease) during the year		**1,192**	**(782)**
D. Cash and cash equivalents at the beginning		188	970
E. Cash and cash equivalents at the end		**1,380**	**188**
Cash and cash equivalents comprise of:			
Cash on hand		6	8
Cheques on hand		1,072	1
Balances with banks - in current accounts		302	179
Cash and cash equivalents as per note 18		**1,380**	**188**

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of
Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

Summary of significant accounting policies and other explanatory information

1. General Information:

(a) Background:

Accel Frontline Limited ("Accel" or the Company) was incorporated on 8th June, 1995. The Company's principal lines of business in IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, development, implementation and maintenance of software applications.

(b) Comparatives:

All amounts in the standalone financial statements are presented in ₹. in lakhs except per share data and as otherwise stated. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year. The previous year figures have been audited by a firm other than Walker Chandiok & Co LLP.

2. Significant Accounting policies

(a) Basis of preparation of financial statements

These standalone financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year except for the change in accounting policy explained in note 12 (iii). The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include provision for doubtful receivables, investments and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Management believes the estimates are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(c) Tangible assets and depreciation

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met as per Accounting standards 16 and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes all expenses attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013, except for the certain computers and its peripherals the useful life of which is estimated by the management based on specific internal and external technical evaluation. The useful life of each block of assets is as follows:

The Company has the following subsidiaries.

Asset	Useful life
Plant and machinery	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 to 6 years
Vehicles	6 years
Lease hold improvements	Over the lower of estimated useful lives of the assets or the primary period of the lease.

(d) Intangible assets and amortization

Intangible assets acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Measurement subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the company's intangible assets is as below:

	Rates (SLM)
Goodwill	10%
Brands/trademarks	10%
Patents and intellectual property rights (IPR)	10%
Technical know-how	10%
Software	14.29%

(e) Leases

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of leases are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in the Schedule II to the Companies Act, 2013, whichever is higher. However if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Inventories

Inventories include raw materials, components, stock in trade, finished goods, stores and spares and work-in progress.

Inventories of raw material, stock-in-trade are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes all charges in bringing the goods to the point of sale. Cost is determined on weighted average cost basis.

Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labor and a portion of the manufacturing overheads. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and estimated cost necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

<u>Sale of goods</u>

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

<u>Income from services</u>

Income from Annual maintenance contracts is recognized proportionately over the period of the respective contracts. Accrued income shown under "other current assets" represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Revenues from maintenance contracts are usually recognized as the service is performed, by the proportionate completion method (pro-rata) over the period of the service as and when services are rendered. The company collects service tax on behalf of the government and remits the same to the government; therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

<u>Software Services</u>

Software services are either provided on a time & material basis or on a fixed price basis. IT Services provided on a time & material basis are recognized in the period in which the services are performed. IT Services provided on a fixed price basis are recognized based on the milestones as specified in the contracts. Unbilled revenue included under Other Current Assets represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

<u>Interest</u>

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

<u>Dividends</u>

The company recognizes dividend as income only when the right to receive the same is established by the reporting date.

(j) Foreign currency transactions

A foreign currency transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are dealt with in the statement of profit and loss.

Gain or loss on forward exchange contract, not in the nature of hedge, is calculated based on difference between forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate. The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of contract and exchange differences on such contracts is recognised as income or expense in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

(k) Retirement and employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company's contribution towards the Provident Fund is charged to the statement of profit and loss. The interest rate payable to the members of the Trust formed by the company for managing the provident fund shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the short fall, if any, shall be made good by the Company.

The Company also provides for retirement benefits in the form of gratuity as per the provisions of "The Payment of Gratuity Act, 1972", which is a defined benefit plan. The Company provides the gratuity benefit through annual contribution to a fund. Liabilities related to the gratuity plan are determined by actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains or losses are recognised immediately in the statement of profit and loss.

Provision for compensated absence is made by the Company based on the unavailed leave standing to the credit of employees as at the balance sheet date in accordance with the service rules of the Company. Liabilities related to the compensated absence are determined by actuarial valuation carried out as at the balance sheet date. Actuarial gain or loss recognised immediately in the statement of profit and loss.

(l) Taxation

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specific period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The company offsets deferred tax assets and deferred tax liabilities if there is a legally enforceable right to set off assets against liabilities representing current tax.

(m) Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

(n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;

b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) present obligation, where a reliable estimate cannot be made.

(p) Cash and Cash equivalents

In the cash flow statement, cash and cash equivalent includes cash in hand, cheques on hand, balances with banks in current accounts and other short term highly liquid investments with original maturities of three months or less.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Segment reporting

Identification of segments

Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

3 Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1st April, 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the fiscal year ended 31st March, 2015 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015		As at March 31, 2014	
		Nos.	Amount	Nos.	Amount
4	**Share capital**				
	Authorised				
	Equity Shares of ₹10 each	33,000,000	3,300	33,000,000	3,300
	Issued, subscribed and fully paid up				
	Equity Shares of ₹10 each	29,761,873	2,976	29,761,873	2,976
		29,761,873	**2,976**	**29,761,873**	**2,976**
	a) **Reconciliation of share capital**				
	Balance at the beginning of the year	**29,761,873**	**2,976**	**24,261,873**	**2,426**
	Add : Shares issued during the year	-	-	5,500,000	550
	Balance at the end of the year	**29,761,873**	**2,976**	**29,761,873**	**2,976**
	b) **Shares held by the holding company**				
	Equity shares of ₹10 each				
	CAC Holding Corporation,	17,857,125	1,786	18,141,175	1,814
	c) **Shareholders holding more than 5% of the aggregate shares in the Company**				
		Nos.	**% holding**	**Nos.**	**% holding**
	Equity Shares of ₹10 each				
	CAC Holding Corporation, Holding Company	17,857,125	60.00%	18,141,175	60.95%
	Accel Limited, Promoter Company	4,368,768	14.68%	7,797,191	26.20%

d) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each share holder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

e) As at 02nd March, 2015, the Company has not achieved the Minimum Public Shareholding (MPS) requirements as stipulated by the listing agreement. Accordingly, the promoter group namely CAC Holding Corporation and Accel Limited have written to Securities and Exchange Board of India(SEBI) seeking approval for extension of time and advice on the further steps to be taken to divest the excess share holding of 87,574 (0.29%) equity shares held by the promoter group, so as to achieve the Minimum Public Shareholding requirements.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately preceeding 31st March, 2015.

₹ in Lakhs

		As at March 31, 2015	As at March 31, 2014
5	**Reserves and surplus**		
	Securities premium reserve		
	Balance at the beginning of the year	6,857	4,932
	Add : Securities premmium credited on share issue	-	1,925
	Balance at the end of the year	6,857	6,857
	General reserve	859	859
	Surplus in the statement of profit and loss		
	Balance at the beginning of the year	1,574	1,329
	Add : Transferred from statement of profit and loss	(745)	245
	Less: Adjustments consequent to change in useful life of assets, (net of deferred tax) (Also refer note 12)	(117)	-
	Balance at the end of the year	**712**	**1,574**
		8,428	**9,290**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015	As at March 31, 2014
6	**Long term borrowings**		
	Secured		
	Long term maturities of:		
	Term loans from banks (Also, refer note (a) below)	-	1,530
	Finance lease obligations (Also, refer note (b) below)	57	37
	Loan against keyman insurance policy (Also, refer note (c) below)	118	108
	Unsecured		
	Loans and advances from related parties (Also, refer note (d) below)	5,015	1,366
		5,190	**3,041**

a) Term loans from banks represent loans from State bank of India to the tune of ₹ Nil at an interest rate of 0% (As at 31st March, 2014: ₹2,507 at an interest rate 14.50% p.a.) and Dhanalaxmi Bank ₹ Nil at an interest rate of 0% (As at 31st March, 2014: ₹707 at an interest of 13.50% p.a.).

b) The loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The loans are repaid in accordance to the repayment schedule agreed with the lessor. Also, refer note 12(iv)

The details of lease commitments in terms of minimum lease payments are as follows:

	As at March 31, 2015	As at March 31, 2014
Payments falling due:		
Payable not later than 1 year	33	130
Payable later than one year but not later than 5 years	57	37
Total	**90**	**167**

c) Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with matutiry value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up.

d) The loans and advances from related parties represents loan from the holding company, CAC Holding Corporations, to the tune of ₹3,649 (As 31st March, 2014: Nil) with an interest rate of 4.5 %+ 6 months LIBOR rate, per annum; the entire amount being repayable in 2021-22 and from Accel Limited to the tune of ₹1,366 (As at 31st March, 2014: ₹1,366) with an interest rate of 11% per annum, the entire amount being repayable in 2019-20. Also, refer note 31.

		As at March 31, 2015	As at March 31, 2014
7	**Deferred Tax (Assests / Liability)**		
	The breakup of net deferred tax asset is as follows:		
	Deferred tax liability arising on account of :		
	Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	684	526
	Other items	16	-
		700	526
	Deferred tax asset arising on account of :		
	Provision for employee benefits	(219)	(116)
	Provision for doubtful receivables	(257)	(39)
	Provision for diminution in value of investments	(9)	-
	Unearned revenue	(101)	-
	Unabsorbed depreciation	(175)	-
	Net deferred tax (asset)/liability	**(61)**	**371**
	*** Movement during the year**		
	Opening balance	371	326
	Recognized in the statement of profit and loss	(378)	45
	Recognized in reserves and surplus	(54)	-
	Closing balance	**(61)**	**371**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

	As at March 31, 2015 Long term	As at March 31, 2015 Short term	As at March 31, 2014 Long term	As at March 31, 2014 Short term
8 Provisions				
Provisions for employee benefits				
Gratuity (Also refer note a(i) below)	372	95	152	25
Compensated absences (Also refer note a(ii) below)	107	2	71	2
	479	**97**	**223**	**27**

a) Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	341	479
Current Service cost	46	32
Interest cost	32	40
Actuarial loss/(gain)	238	(157)
Benefits paid	(94)	(52)
Projected benefit obligation at the end of the year	**563**	**341**
Change in plan assets		
Fair value of plan assets at the beginning of the year	164	205
Expected return on plan assets	13	16
Employer contributions	13	11
Benefits paid	(93)	(52)
Actuarial (loss) on plan assets	(1)	(16)
Fair value of plan assets at the end of the year	**96**	**164**
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	563	341
Fair value of plan assets at the end of the year	96	164
Liability recognised in the balance sheet	**467**	**177**
Thereof		
Unfunded	467	177
Components of net gratuity costs are		
Current Service cost	46	32
Interest cost	32	40
Expected returns on plan assets	(13)	(16)
Recognized net actuarial loss	239	(157)
Net gratuity costs recognised in the income statement	304	(101)
Principal actuarial assumptions used:		
Discount rate	9.00%	8.00%
Long-term rate of compensation increase	5.00%	5.00%
Expected rate of return on plan assets	8.00%	8.00%
Average remaining life (in years)	24	24
Attrition rate	2.00%	1.92%

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

Net (liability) recognized in balance sheet	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Present value of defined benefit obligation	(563)	(341)	(106)	(93)	(62)
Fair value of plan assets	96	164	-	-	-
(Deficit) in the plan	(467)	(177)	(106)	(93)	(62)

(ii) Compensated absences

The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
Principal actuarial assumptions used :		
Discount rate	9.00%	8.00%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	24	24
Attrition rate	2.00%	1.92%
9. Short term borrowings		
(Secured)		
Repayable on demand from banks	12,274	10,809
(Unsecured)		
Loans from related parties	-	100
	12,274	**10,909**
(a) Details of guarantee		
Guaranteed by Holding company		
From banks		
- Working capital demand loan	4,500	-
- Cash credit	305	-
- Letter of credit	1,615	-
Guaranteed by Director & Promoter company		
From banks		
- Letter of credit	55	1,216
- Cash credit	3,590	5,805

(b) Details of security

The company has availed a working capital demand loan worth ₹45 crores from Sumitomo Mitsui Banking Corporation at an interest rate of 10.90% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan

The company has also availed cash credits availed from Sumitomo Mitsui Banking Corporation at an interest rate of 12.60% which is secured by a Corporate Guarantee provided by CAC Holdings corporation, Japan Cash credits gurarantееd by director & promoter company represents:

- borrowings availed from SBI bank at an interest rate of 14.50% which is secured by first charge on pari passu basis on all the current assets & moveable assets of the company, including book debts and inventories and first and exclusive charge on certian properties owned by promoter Company

- borrowings availed from IDBI bank at an interest rate of 14% which is secured by pari passu charge on all the current assets & moveable assets of the company, including book debts and inventories.

Working capital loans gurarantееd by director & promoter company represents loan from IDBI at an interest rate of 14% which is secured by first charge on pari passu basis on all the current assets & moveable assets of the company, including book debts and inventories and first and exclusive charge on certian properties owned by the promoter company.

The company has also availed cash credits from Axis bank at an interest rate of 13.50% which is secured by pari passu charge on all the current assets & moveable assets of the company, including book debts and inventories

The company has availed letter of credits from banks which are secured by the hypothecation of goods purchased under the letter of credit.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

		₹ in Lakhs	
		As at March 31, 2015	As at March 31, 2014
10	**Trade payables**		
	Dues to micro and small enterprises*	-	-
	Dues to others (also, refer note 31 (c)	3,611	3,534
		3,611	**3,534**

*There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

11	**Other current liabilities**		
	Current maturities of long-term borrowings:- (Also, refer note 6(a) and 6(b) for the security details)		
	Term Loans from banks	-	1,235
	Finance lease obligations	33	130
	Unearned revenue	2,113	341
	Unpaid dividends	6	7
	Statutory dues	94	636
	Employee related payables	699	484
	Other payables	771	536
		3,716	**3,369**

There are no amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

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Summary of Significant Accounting Policies and other Explanatory Information

12 Fixed Assets

₹ in Lakhs

Particulars	TANGIBLE ASSETS							INTANGIBLE ASSETS				
	Leasehold improve-ments	Plant and machinery	Furniture and electrical fittings	Office equipment	Comput-ers	Vehicles	Total of tangible assets (A)	Goodwill	Computer software	Copy rights/ Technical Know how	Total of intangible assets (B)	Grand Total (A+B)
Gross block												
Balance as at 1 April 2013	635	261	318	318	1,544	216	3,292	1,609	2,584	172	4,365	7,657
Additions	6	4	4	13	580	38	645	-	408	-	408	1,053
Deletions	38	3	10	15	225	17	308	-	-	-	-	308
Balance as at 31 March 2014	**603**	**262**	**312**	**316**	**1,899**	**237**	**3,629**	**1,609**	**2,992**	**172**	**4,773**	**8,402**
Adjustments (Also, refer note (v) below)	-	(26)	3	(5)	(226)	-	(254)	-	254	-	254	-
Additions	2	97	16	5	950	-	1,070	-	533	-	533	1,603
Balance as at 31 March 2015	**605**	**333**	**331**	**316**	**2,623**	**237**	**4,445**	**1,609**	**3,779**	**172**	**5,560**	**10,005**
Accumulated depreciation/amortization												
Balance as at 1 April 2013	295	88	200	109	574	87	1,353	262	1,815	77	2,154	3,507
Depreciation/amortization for the year	96	13	20	15	285	23	452	187	325	8	520	972
Reversal on disposal of assets	38	3	10	15	217	13	296	-	-	-	-	296
Balance as at 31 March 2014	**353**	**98**	**210**	**109**	**642**	**97**	**1,509**	**449**	**2,140**	**85**	**2,674**	**4,183**
Depreciation/amortization for the year	93	(8)	5	53	412	14	569	135	312	34	481	1,050
Adjustments	-	3	30	96	39	3	171	-	-	-	-	171
Balance as at 31 March 2015	**446**	**93**	**245**	**258**	**1,093**	**114**	**2,249**	**584**	**2,452**	**119**	**3,155**	**5,404**
Net block												
Balance as at 31 March 2014	**250**	**164**	**102**	**207**	**1,257**	**140**	**2,120**	**1,160**	**852**	**87**	**2,099**	**4,219**
Balance as at 31 March 2015	**159**	**240**	**86**	**58**	**1,530**	**123**	**2,196**	**1,025**	**1,327**	**53**	**2,405**	**4,601**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

(i) Capital work in progress of ₹25 (As at 31st March, 2014: : Nil) as appearing in the balance sheet represents capital assets which are pending completion/installation.

(ii) As at 31st March, 2015, the Company has incurred expenditure to the tune of ₹74 (As at 31st March, 2014: ₹21) for software development which was not operational as at the balance sheet date. This expenditure has been disclosed as "Intangible assets under development".

(iii) Hitherto, depreciation on all tangible assets was provided on a straight-line method over the estimated useful life using the rates prescribed under Schedule XIV of the erstwhile Companies Act, 1956. Effective 1st April, 2014, in accordance with Schedule II of the Companies Act, 2013, the Company has re-assessed the useful life and adopted the rates prescribed except for certain computers for which the Company has carried out certain technical evaluation to assess the useful life based on which the useful life has been determined to be higher than the life prescribed by Schedule II. Had the Company continued to use the earlier estimate for depreciation of all tangible assets the loss for the year ended 31st March, 2015 would have been lower by ₹145 and further an amount of ₹117 (net of deferred taxes) has been charged to the opening balance of the reserves and surplus in respect of the assets whose remaining life is Nil as at 1st April, 2014 in accordance with Schedule II to the Act.

(iv) The gross block and net carrying amount of the assets acquired under finance lease are as follows:

Particulars	As at 31 March 2015		As at 31 March 2014	
	Gross block	Net block	Gross block	Net block
Vehicles	102	69	102	83
Computers	63	48	63	59
Total	**165**	**117**	**165**	**142**

(v) Adjustments refers to reclassification of certain assets among the different classes based on their nature.

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Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

			As at March 31, 2015	As at March 31, 2014
13	**Non-current investments**			
	Trade Investments (Valued at cost unless stated otherwise)			
	Investments in equity instruments - Unquoted			
	Investments in Subsidiaries			
	Accel Systems & Technologies Pte Limited (11,730,000 (Previous year - 11,730,000) shares of SGD 0.10 each fully paid)		775	775
	Accel Frontline FZE, Dubai (1 (Previous year-1) share of AED 300,000 fully paid up)		120	120
	Accel Japan KK (212 (Previous year : 212) ordinary shares of JPY 50,000 each and JPY 15,855,000 (Previous year: JPY 15,855,000) share application money pending allotment)		118	118
	Network Programs (Japan), Inc. USA (1000 (Previous year: 1000) shares of $ 1 each fully paid)		224	224
	Network Programs (USA) Inc., USA (1500 (Previous year: 1500) shares without par value fully paid)		51	51
	Accel North America Inc., USA (655,000 (Previous year : 655,000) shares of $1 each fully paid up)		373	373
	Accel IT Resources Limited, INDIA (3,000,000 (Previous year : 3,000,000) shares of ₹10 each fully paid up)		790	790
	Accel Technologies Ltd, UK (19,500 (Previous year : 19,500) equity shares of GBP.1/- each fully paid up)		17	17
		(A)	**2,468**	**2,468**
	Other companies			
	Telesis Global Solutions Limited, India 96,374 (Previous year : 96,374) equity shares of ₹10 each fully paid up		30	30
	Less: Provision for diminution in the value of investment		(30)	-
		(B)	**-**	**30**
	Total	**Total (A+B)**	**2,468**	**2,498**
	Aggregate amount of unquoted investments		2,498	2,498
	Aggregate provision for diminution in value of investments		30	-
	Extent of Investment in Subsidiaries			
	Accel Systems & Technologies Pte Limited, Singapore		51%	51%
	Accel Frontline FZE,Dubai		100%	100%
	Accel Japan KK		100%	100%
	Network Programs (Japan), Inc. USA		100%	100%
	Network Programs (USA) Inc., USA		100%	100%
	Accel North America Inc., USA		100%	100%
	Accel IT Resources Limited, India		100%	100%
	Accel Technologies Ltd, UK		100%	100%

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2015		As at March 31, 2014	
		Long term	**Short term**	**Long term**	**Short term**
14	**Loans and advances***				
	Unsecured, considered good				
	Capital advances	35	-	-	-
	Security deposits	269	-	352	-
	Rental deposit	449	-	684	-
	Balances with government authorities	246	304	229	385
	Advance income-tax (net of provision for taxation)	3,625	-	3,724	-
	MAT credit entitlement	67	-	67	-
	Other loans and advances (also, refer note 31)	24	687	33	1,095
	Total	**4,715**	**991**	**5,089**	**1,480**
	* No amounts is due from officers of the company				

		As at March 31, 2015	As at March 31, 2014
15	**Other non current assets**		
	Prepaid expenses	528	199
	Non-current bank balances (Also refer note 18)	99	57
	Long-term trade receivables		
	Customer retention - Unsecured, considered good	155	291
	Total	**782**	**547**
16	**Inventories *(Valued at Cost)***		
	Raw materials	83	82
	Stock-in-trade (includes goods-in-transit ₹ 104 (As at 31st March, 14: Nil))	544	1,452
	Stores and spares	3,434	2,532
		4,061	**4,066**

(a) During the current year, the Company has migrated to a new software, with respect to the recording of inventory transactions pertaining to IMS division. This software, due to certain inherent limitations, is currently not capable of computing the weighted average cost of consumption on transaction basis for the inventory used for rendering services by IMS division. Accordingly, valuation of the closing stock with respect to this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Company has not being able to ascertain the net realizable value of the inventory pertaining to IMS division.

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

			As at March 31, 2015	As at March 31, 2014
17	**Trade receivables**			
	(Unsecured)			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Considered good		3,004	3,245
	Considered doubtful		792	121
			3,796	**3,366**
	Less : Provision for doubtful receivables		(792)	(121)
		(A)	**3,004**	**3,245**
	Other receivables			
	Considered good		11,024	8,384
		(B)	**11,024**	**8,384**
		Total (A+B)	**14,028**	**11,629**
	Also refer note 31 (c)			
18	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		6	8
	Cheques on hand		1,072	1
	Balances with banks in current accounts		302	179
		(A)	**1,380**	**188**
	Other bank balances			
	Unpaid dividend account		6	7
	Balances with bank held as margin money		690	690
		(B)	**696**	**697**
	Less : Amounts disclosed as other non-current assets (Also, refer note 15)	**(C)**	**99**	**57**
		Total (A+B-C)	**1,977**	**828**
19	**Other current assets**			
	(Unsecured, considered good)			
	Unbilled revenue		1,779	1,845
	Prepaid expenses		1,155	1,422
	Others assests		54	96
			2,988	**3,363**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
20	**Revenue from operations**		
	Sale of goods	15,125	13,070
	Sale of services	18,940	16,638
	Revenue from operations (Gross)	**34,065**	**29,708**
	Less : Excise duty	48	28
	Revenue from operations (Net)	**34,017**	**29,680**

a) During the year, the Company has recognized revenue of ₹397 with a corresponding cost in changes in inventories of stock-in-trade of ₹368 for shipments made during the year whereas the shipment was received and acknowledged by the customer after 31st March, 2015.

	Year ended March 31, 2015	Year ended March 31, 2014
Details of products sold / service rendered		
Manufactured goods		
(i) Multifunction Kiosk	88	38
(ii) QUE Management Systems	79	12
(iii) Touch Screen Information Kiosk	56	17
(iv) Others*	23	108
Total	**246**	**175**
Traded goods		
(i) Servers, Desktops & Laptops	7,868	5,714
(ii) Software	2,706	1,799
(iii) Spares, Accessories & Network products	2,426	1,843
(iv) Others*	1,879	2,633
Total	**14,879**	**11,989**
Services rendered		
(i) Software Services	5,491	5,267
(ii) AMC and Facility Management Services	10,268	8,620
(iii) Warranty Services	2,284	2,255
(iv) Others*	897	1,402
Total	**18,940**	**17,544**

*** Individually less than 10% of the products sold and service rendered**

		Year ended March 31, 2015	Year ended March 31, 2014
21	**Other income**		
	Interest income	65	175
	Dividend income	80	-
	Net foreign exchange gain	45	211
	Other non-operating income	2	23
		192	**409**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
22	**Cost of raw material and components consumed**		
	Opening stock	82	154
	Add : Purchases during the year	127	-
	Less: Closing Stock	83	82
	Materials consumed	**126**	**72**
	Details of raw materials and components consumed		
	Opening stock		
	(i) Monitors, CPU Assemblies, LCD display	7	34
	(ii) Printers	7	46
	(iii) Spares & Accessories	68	73
	iv) Others	-	-
	Total	**82**	**153**
	Raw material purchases		
	(i) Monitors, CPU Assemblies, LCD display	51	-
	(ii) Printers	27	-
	(iii) Spares & Accessories	49	-
	iv) Others	-	-
	Total	**127**	**-**
	Closing stock		
	(i) Monitors, CPU Assemblies, LCD display	6	7
	(ii) Printers	9	7
	(iii) Spares & Accessories	68	68
	iv) Others	-	-
	Total	**83**	**82**
	Consumption details		
	(i) Monitors, CPU Assemblies, LCD display	52	27
	(ii) Printers	25	39
	(iii) Spares & Accessories	49	5
	iv) Others	-	-
	Total	**126**	**71**

* Individually less than 10% of the consumption

		Year ended March 31, 2015	Year ended March 31, 2014
23	**Purchases of Stock-in-Trade**		
	(i) Servers, Desktops & Laptops	6,275	5,316
	(ii) Softwares	2,446	1,699
	(iii) Spares, Peripherals & Network products	2,263	1,536
	(iv) Others*	2,659	3,634
		13,643	**12,185**
24	**Changes in inventories of stores and spares**		
	Closing stock:		
	Stock-in-Trade	544	1,452
	Stores and spares	3,434	2,532
	Total	**3,978**	**3,984**
	Opening stock:		
	Stock-in-Trade	1,452	1,615
	Stores and spares	2,532	2,544
		3,984	**4,159**
	Net decrease in inventories	**6**	**175**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
25	**Employee benefits expense**		
	Salaries and wages	6,930	5,617
	Gratuity expense (Also, refer note 8 (a))	304	(101)
	Contribution to provident and other defined contribution funds	392	341
	Staff welfare expenses	147	114
		7,773	**5,971**
26	**Other expenses**		
	Sub-contracting and outsourcing cost	3,942	3,173
	Power and fuel	231	245
	Rent	927	981
	Repairs and maintenance - others	336	337
	Insurance	63	84
	Rates and taxes	140	173
	Travelling and conveyance	1,006	921
	Communication costs	484	487
	Freight and forwarding	395	342
	Legal and professional fees	357	377
	Directors' sitting fees	13	8
	Payment to auditor (Also, refer note 30)	25	31
	Bad debts written off	75	231
	Provision for doubtful debts and advances	671	33
	Provision for diminution in value of investment	30	-
	Miscellaneous expenses	389	493
	Total	**9,084**	**7,916**
27	**Finance costs**		
	Interest expenses	1873	2,148
	Bank Charges	255	355
		2,128	**2,503**
28	**Depreciation and amortization expense**		
	Depreciation of tangible assets (Also, refer note 12)	569	452
	Amortization of intangible assets (Also, refer note 12)	481	520
		1,050	**972**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
29	**Earnings per equity share**		
	Nominal value of equity shares	10.00	10.00
	(Loss)/profit attributable to equity shareholders (A)	(745)	245
	Weighted average number of equity shares outstanding during the year (B)	29,761,873	25,467,352
	Basic earnings per equity share (A/B) (in ₹)	**(2.50)**	**0.96**
	Dilutive effect on profit (C)	-	-
	(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	(745)	245
	Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
	Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	29,761,873	25,467,352
	Diluted earnings per equity share (D/F) (in ₹)	**(2.50)**	**0.96**
30	**Payments to auditors**		
	As auditor		
	Statutory audit	23	20
	Limited review	2	3
	Reimbursement of expenses	-	2
		25	25
	In other capacity		
	Other services	-	6
		-	**6**
		25	**31**

* Previous year figures represent fees paid to previous auditors

31 Related parties

a. Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo Japan	Holding Company
Accel Limited, Chennai	Promoter Company
Accel Systems & Technologies Pte Limited	Subsidiary Company
Accel Frontline FZE,Dubai	Subsidiary Company
Accel Japan KK, Japan	Subsidiary Company
Network Programs (Japan), Inc. USA	Subsidiary Company
Network Programs (USA) Inc., USA	Subsidiary Company
Accel North America Inc	Subsidiary Company
Accel IT Resources Limited	Subsidiary Company
Accel Technologies Ltd, UK	Subsidiary Company
Accel Transmatic Ltd	Subsidiary of Promoter Company
N.R.Panicker	Key Management Personnel (KMP)
Malcolm F Mehta	Key Management Personnel (KMP)
Shruthi Panicker	Relative of Key Management Personnel
Sreekumari Panicker	Relative of Key Management Personnel

Summary of significant accounting policies and other explanatory information

b) Transactions with related parties

₹ in Lakhs

Name of the related party	Year ended 31 March 2015							Year ended 31 March 2014					
	Sale of services	Loan received	Interest paid	Remu-neration*	Dividend (received)	Other expense	Reimbursements received	Sale of services	Loan received	"Interest paid/ (received)"	Remu-neration	Other expense	Reimburse-ments received / receivable
CAC Holding Corporation, Tokyo Japan	-	3,649	76	-	-	-	295	-	-	-	-	-	-
Accel Limited, Chennai	-	-	150	-	-	86	-	-	1,366	(20)	-	77	-
Accel Systems & Technologies Pte Limited, Singapore	5	-	-	-	(80)	-	11	-	-	-	-	-	35
Accel Frontline FZE,Dubai	326	-	-	-	-	-	-	-	-	-	-	-	-
Network Programs (USA) Inc., USA	44	-	-	-	-	-	-	195	-	-	-	-	-
Accel North America Inc, USA	2,106	-	-	-	-	-	-	1,780	-	-	-	-	-
Accel Transmatic Ltd	-	-	-	-	-	14	43	3	-	(82)	-	37	54
N.R.Panicker	-	-	-	96	-	27	-	-	-	-	52	20	-
Malcolm F Mehta #	-	-	-	163	-	-	-	-	-	-	-	-	-
Shruthi Panicker	-	-	-	4	-	-	-	-	-	-	-	-	-
Sreekumari Panicker	-	-	-	-	-	9	-	-	-	-	-	-	-

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs.

Payment to Mr. Malcolm F Mehta is reimbursed by CAC Holdings Corporation.

c. Balance with related parties

₹ in Lakhs

Name of the related party	As at 31 March 2015				As at 31 March 2014			
	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables
CAC Holding Corporation, Tokyo Japan	7	3,649	-	30	-	-	-	-
Accel Limited, Chennai	-	1,366	-	39	-	1,366	-	4
Accel Systems & Technologies Pte Limited, Singapore	-	-	-	-	-	-	-	83
Accel Frontline FZE,Dubai	204	-	622	-	313	-	296	-
Accel Japan KK, Japan	2	-	-	-	2	-	-	-
Network Programs (USA) Inc., USA	13	-	23	-	85	-	388	-
Accel North America Inc., USA	-	-	715	-	-	-	807	18
Accel IT Resources Limited, Chennai	188	-	-	-	169	-	88	-
Accel Technologies Ltd, UK	55	-	-	-	55	-	-	-
Accel Transmatic Ltd	90	-	-	-	43	-	21	-
N.R.Panicker	-	-	-	2	82	-	-	-
Sreekumari Panicker	-	-	-	1	-	-	-	-

d) Maximum balances outstanding during the year in accordance with clause 32 of the listing agreement

₹ in Lakhs

Name of the related party	As at 31 March 2015				As at 31 March 2014			
	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables	Advances/ Amount recoverable	Loans Payable	Trade receivables	Payables
CAC Holding Corporation, Japan	3,649	-	-	30	-	-	-	-
Accel Limited, Chennai	1,366	-	98	39	-	-	576	4
Accel Systems & Technologies Pte Limited, Singapore	-	-	-	-	-	-	-	83
Accel Frontline FZE,Dubai	-	622	315	-	-	296	313	-
Network Programs (USA) Inc., USA	-	502	71	-	-	388	85	-
Accel North America Inc., USA	-	861	-	-	-	807	36	18
Accel IT Resources Limited, Chennai	-	-	337	-	-	88	197	-
Accel Technologies Ltd, UK	-	-	55	-	-	-	60	-
Accel Japan, KK, JAPAN	-	-	2	-	-	-	-	-
Accel Transmatic Ltd	-	-	91	-	-	21	656	-
Network Programs (Japan), Inc. USA	-	-	-	-	-	-	2	-

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

32 Unhedged foreign currency exposure*

Particulars of unhedged foreign currency exposure as at the reporting date **₹ In Lakhs**

Particulars	In USD	In GBP	In JPY	In SGD	In AED	In AUD	In Rupee equivalent
a) Trade receivables including retention net of advances	38	0	11	-	-	0	2,382
(Previous year)	*34*	*0*	*95*	-	*0*	*3*	*2,279*
b) Loans and advances	0	1	3	-	11	-	262
(Previous year)	*8*	*1*	*1*	*(2)*	*11*	-	*626*
c) Trade payables	0	-	-	-	-	-	23
(Previous year)	-	-	-	-	-	-	-
d) Interest payable	0	-	-	-	-	-	30
(Previous year)	-	-	-	-	-	-	-

* Amounts below the rounding off norm adopted by the company is shown as '0'

33 Segment reporting

Considering the risk/return profiles of the segments between product and geography, the Company has identified business as primary segment in accordance with Accounting Standard (AS) 17 Segment Reporting. The Company does not have any secondary segment.

The Company's principal lines of business is IT services which includes, providing system integration (SI) solutions comprising network design, hardware and software, IT Infrastructure management solutions (IMS), software development and support (SS) and warranty management solutions (WMS) for imported and indigenous equipments, development, implementation and maintenance of software applications.

Year ended 31 March 2015 ₹ In Lakhs

Particulars	SI	IMS	SS	WMS	Others	Total
Revenue from operations						
External sales(Net of excise duty)	15,077	10,770	5,505	2,665	-	34,017
Total revenue from operations	15,077	10,770	5,505	2,665	-	34,017
Results						
Segment result	539	2,213	530	(221)	-	3,061
Other non-operating income	-	-	-	-	48	48
Unallocated corporate expenses	-	-	-	-	727	727
Operating profit/(loss)	**539**	**2,213**	**530**	**(221)**	**(679)**	**2,382**
Interest and finance charges	-	-	-	-	2,128	2,128
Interest and dividend income	-	-	-	-	(145)	(145)
Profit/(loss) before tax and prior period items	**539**	**2,213**	**530**	**(221)**	**(2,662)**	**399**
Prior period items	-	(1,433)	-	-	(72)	(1,505)
Profit/(loss) before tax	539	780	530	(221)	(2,734)	(1,106)
Income taxes	-	-	-	-	(361)	(361)
Profit/(loss) after tax	**539**	**780**	**530**	**(221)**	**(2,373)**	**(745)**
Other information						
Segment assets	8,037	13,747	5,238	2,343	-	29,365
Unallocated corporate assets	-	-	-	-	7,406	7,406
Total assets	**8,037**	**13,747**	**5,238**	**2,343**	**7,406**	**36,771**
Segment liabilities	5,307	9,862	2,468	1,502	-	19,139
Unallocated corporate liabilities	-	-	-	-	6,226	6,226
Total liabilities	**5,307**	**9,862**	**2,468**	**1,502**	**6,226**	**25,365**
Capital expenditure	7	939	707	63	-	1,716
Depreciation and amortization	34	288	628	100	-	1,050
Other non cash expenditure, net	426	174	84	62	30	776

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

Year ended 31st March, 2014 ₹ In Lakhs

Particulars	SI	IMS	SS	WMS	Others	Total
Revenue from operations						
External sales(Net of excise duty)	12,136	9,318	5,249	2,977	-	29,680
Total revenue from operations	**12,136**	**9,318**	**5,249**	**2,977**	**-**	**29,680**
Results						
Segment result	221	1,483	814	121	-	2,639
Other non-operating income	-	-	-	-	235	235
Unallocated corporate expenses	-	-	-	-	251	251
Operating profit/(loss)	**221**	**1,483**	**814**	**121**	**(16)**	**2,623**
Interest and finance charges	-	-	-	-	2,503	2,503
Interest and dividend income	-	-	-	-	(175)	(175)
Profit/(loss) before tax	**221**	**1,483**	**814**	**121**	**(2,344)**	**295**
Income taxes	-	-	-	-	50	50
Profit/(loss) after tax	**221**	**1,483**	**814**	**121**	**(2,394)**	**245**
Other information						
Segment assets	9,781	8,585	5,236	2,672	-	26,274
Unallocated corporate assets	-	-	-	-	7,466	7,466
Total assets	9,781	8,585	5,236	2,672	7,466	33,740
Segment liabilities	5,744	6,149	2,183	1,859	-	15,935
Unallocated corporate liabilities	-	-	-	-	5,539	5,539
Total liabilities	**5,744**	**6,149**	**2,183**	**1,859**	**5,539**	**21,474**
Capital expenditure	463	16	450	107	38	1,074
Depreciation and amortization	100	128	603	123	18	972
Other non cash expenditure, net	47	184	3	24	6	264

₹ in Lakhs

		Year ended March 31, 2015	Year ended March 31, 2014
34	**Earnings in foreign currency (accrual basis)**		
	Interest and Dividend	80	-
	Export value on FOB basis	6,570	8,105
	Total	**6,650**	**8,105**
35	**Expenditure in foreign currency (accrual basis)**		
	Interest	76	-
	Purchase of traded goods at branch	1,532	2,578
	Travelling and conveyance	236	202
	Others	44	57
	Total	**1,888**	**2,837**
36	**Value of imports on CIF basis**		
	Components	416	247
	Total	**416**	**247**

Summary of Significant Accounting Policies and other Explanatory Information

(All amounts in Indian rupees lakhs, unless otherwise stated)

37 Overseas Branch Operation

During the year, the branch at Singapore in the name of "Accel Frontline Limited - Singapore Branch" continued its operation. The revenue and expenses of the said Branch have been included in the financials of the company against each line item, translated into Indian rupees, as applicable. The summary of the financials of the Branch is as follows:

Particulars	31st March. 2015		31st March, 2014	
	In USD Lakhs	In INR Lakhs	In USD Lakhs	In INR Lakhs
Turnover	28	1,722	47	2,818
Net Profit after tax	1	86	1	75
Sundry Debtors	7	415	20	1,180
Sundry Creditors	3	216	18	1,082
Income Tax- Provision	0	5	0	3

38 Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31st March, 2015 and 2014 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

The total of future minimum lease payments for each of the following periods:

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
(i) Not later than one year	100	143
(ii) Due later than one year and not later than five years	33	133
(iii) Due later than five years	-	-
Total	**133**	**276**
Lease payments charged off to the statement of profit and loss	927	981

39 Contingent Liabilities

Claims against the company not acknowledged as debt		
Sales tax	74	87
Service tax	6	6
Income tax	903	1,037
Customs duty	411	0
Corporate Guarantees	3,453	1,462
Others	305	222

40 Prior period item includes ₹1,433, representing revenues pertaining to certain back to back annual maintainance contracts recognised in the previous year based on the billing instead of straight lining the revenue over the period of the contract. The Company has revised the process of revenue recognition retrospectively during the year ended 31st March, 2015. Further, it includes ₹72 relating to employee benefit expenses.

41 Commitments

The Company did not have any capital commitments as at the balance sheet date. Other commitments are canellable at the option of the company and hence not disclosed.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai
Date : 05th May, 2015

For and on behalf of the Board of Directors of

Accel Frontline Limited

N.R. Panicker
Executive Chairman

R. Ramaraj
Director

Sweena Nair
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration number	18-31736
Balance Sheet date	March 31, 2015

II Capital raised during the year (Amount in Rs. Lakhs)

Public Issue	Nil
Bonus Issue	Nil

Rights Issue	Nil
Private Placement	Nil

Total Liabilities	28,807.00

Total Assets	28,807.00

III Sources of funds

Paid up capital	2,976.00
Secured loans	12,449.00
Deferred tax liability	(61.00)

Reserves and surplus	8,428.00
Unsecured loans	5,015.00

Application of funds

Net fixed assets	4,700.00
Net current assets	21,639.00

Investments	2,468.00
Misc. expenditure	-

IV Performance of company (Amount in Rs.Lakhs)

Sources of funds

Turnover	34,209.00
Profit / (loss) before tax	(1,106.00)
Earnings per share in Rs.	(2.50)

Total expenditure	35,315.00
Profit / (loss) after tax	(745.00)
Dividend as %	0

V Generic names of three principal products / services of company (as per monetary terms)

Item code no. (ITC code)	847100
Product description	Computers & Peripherals
Item code no (ITC code)	852490
Product description	Software Development

NOTES

Accel Frontline Limited
No. 75, Nelson Manickam Road, Aminijikarai, Chennai 600029 Ph.: 044 - 42252000 Fax: 044-23741271
Email: info@accelfrontline.in Website: www.accelfrontline.in
CIN : L30006TN1995PLC031736

FORM B

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Accel Frontline Limited
2.	Annual financial statements for the year ended	31 March 2015
3.	Type of Audit qualification	The report of the statutory auditors contains the following observations on the standalone financial statements: As disclosed in note 20 (a) of the financial statements, during the year the Company has recognised revenue from operations amounting to Rs. 397 lacs however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 – 'Revenue Recognition'. Had the Company followed the principles of AS 9, the revenue from operations and the changes in inventories of stock-in-trade and stores and spares for the year ended 31 March 2015 would have been lower by Rs.397 lacs and Rs.368 lacs respectively. The loss from ordinary activities after tax would have been higher by Rs. 29 lacs and tax expense would be lower by Rs. 9 lacs for the year ended 31 March 2015. Further, the trade receivables as at 31 March 2015 would be lower by Rs. 397 lacs and the inventories would be higher by Rs. 368 lacs as at that date. Further, as disclosed in note 16(a) of the financial statements, the Company's inventory comprise of certain items carried at Rs. 3,044 lakhs as at 31 March 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with the 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 evidence we are unable to comment on the impact, of the aforesaid matter on the changes in inventories of stock-in-trade and store and spares for the year ended 31 March 2015 and the carrying value of inventories as at 31 March 2015 and the consequential impact, if any, on the financial statements. The report of the statutory auditors contains the following observations on the consolidated financial statements: As disclosed in note 20(a) of the financial statements, during the year the Holding Company

		has recognized revenue from operations amounting to Rs.397 lakhs however, in our opinion, such recognition does not meet the conditions enunciated under AS 9 – 'Revenue Recognition'. Had the Holding Company followed the principles of AS 9, the revenue from operations and the changes in inventories of stock-in-trade and stores and spares for the year ended 31 March 2015 would have been lower by Rs.397 lakhs and Rs.368 lakhs respectively. The profit before tax would have been higher by Rs.29 lakhs and tax expense would be lower by Rs.9 lakhs for the year ended 31 March 2015. Further, the trade receivables as at 31 March 2015 would be lower by Rs.397 lakhs and the inventories would be higher by Rs.368 lakhs as at that date. Further, as disclosed in note 16(a) of the financial statements, the Holding Company's inventory comprise of certain items carried at Rs.3,044 lakhs as at 31 March 2015, wherein due to reasons mentioned in the aforesaid note the management is unable to compute the value of inventory in accordance with the Holding 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 evidence we are unable to comment on the impact, of the aforesaid matter on the changes in inventories of stock-in-trade and store and spares for the year ended 31 March 2015 and the carrying value of inventories as at 31 March 2015 and the consequential impact, if any, on the financial statements.
4.	Frequency of qualification	Whether appeared first time **Yes**
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	**Standalone notes to accounts** **Inventories** During the current year, the Company has migrated to a new software, with respect to the recording of inventory transactions pertaining to IMS division. This software, due to certain inherent limitations, is currently not capable of computing the weighted average cost of consumption on transaction basis for the inventory used for rendering services by IMS division. Accordingly, valuation of the closing stock with respect to this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Company has not being able to ascertain the net realizable value of the inventory pertaining to IMS division.

Management response:
The Company is taking steps to work on the software to reflect the exact value of inventory.

Revenue
During the year, the Company has recognized revenue of Rs. 397 lacs with a corresponding cost in changes in inventories of stock-in-trade of Rs. 368 lacs for shipments made during the year whereas the shipment was received and acknowledged by the customer after 31 March 2015.

Management response:
The Company has been following the policy of recognizing the revenue on account of sale of goods when materials are dispatched from the premises and /or handover the materials to the transporter against the lorry receipt/such other document and pay VAT on such sale. As the Company been following this practice for earlier financial years, it continued the same practice for the current financial year also as the practice meets all the 3 criteria a) prudence, b) substance over form and c) materiality. The management will ensure that the company will change over to the new revenue recognition policy in the subsequent financial years.

Consolidated notes to accounts

Inventories
During the current year, the Company has migrated to a new software, with respect to the recording of inventory transactions pertaining to IMS division. This software, due to certain inherent limitations, is currently not capable of computing the weighted average cost of consumption on transaction basis for the inventory used for rendering services by IMS division. Accordingly, valuation of the closing stock with respect to this division has not being performed in accordance with the requirements of Accounting Standard (AS) 2 – Valuation of inventories. Further, the Company has not being able to ascertain the net realizable value of the inventory pertaining to IMS division.

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6.	Additional comments from the board/audit committee chair:	Regarding the opinion expressed by the Statutory Auditors on the qualifications with respect to inventories valuation and revenue recognition, the notes to accounts and management responses are self-explanatory.
7.	To be signed by- CEO/Managing Director	Signature N.R. Panicker Executive Chairman
	CFO	Not available during the period of audit.
	Auditor of the Company	Signature Sumesh E S Partner Walker Chandiok & Co LLP Walker Chandiok & Co LLP
	Audit Committee Chairman	Signature R. Ramaraj Chairman of Audit Committee