

**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors  
Accel Transmatic Ltd.

1. We have audited the statement of financial results of M/s Accel Transmatic Ltd. ("the company") for the year ended 31<sup>st</sup> March, 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement of financial results, which is the responsibility of the company's management and approved by the Board of Directors, have been prepared on the basis of related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on the audit of related annual financial statements.
2. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 statement.

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

3. In our opinion and to the best of our information and according to the explanations given to us, the statement
  - i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - ii. gives a true and fair view of the net loss and other financial information for the year ended 31<sup>st</sup> March, 2017.

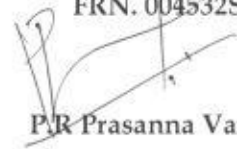


*Varma & Varma*  
*Chartered Accountants*

4. Attention is invited to Note No. 2. As stated therein, the figure for the quarter ended 31<sup>st</sup> March 2017, is the balancing figure between the audited figures in respect of the full financial year and published unaudited year to date figures upto the third quarter of the current financial year which was subject to limited review by us.
5. As stated in Note No.5, the Company has suffered cash loss from its operations during the year. The Net worth of the Company has been fully eroded as at the Balance Sheet date. The Current Liabilities as at the yearend exceeds the Current Assets by Rs.1,11,21,448/-. This, read with the matters stated in para (i) above, raises serious doubt about the ability of the Company to continue as going concern
6. We draw attention to Note No.6. As stated therein, the management expects the value in use, based on estimated future cash flows, for the Intellectual Property Rights amounting to Rs. 3,08,92,761/- carried in the books as Intangible assets to be not less than its carrying amount. Hence, no adjustment for impairment is made in the books of account. The pattern/quantum of the cash flows would, however, depend upon crystallization of enquiries received by the company.
7. Also, as stated in Note No.7, the proposal for merger with the holding company is pending approval from concerned authorities. Our report is not modified in this respect.

Place : Chennai  
Date : 25<sup>th</sup> May, 2017

For Varma & Varma  
Chartered Accountants  
FRN. 004532S

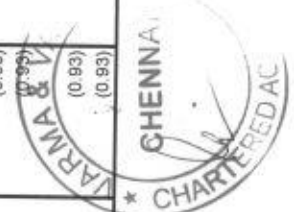


P.R. Prasanna Varma  
Partner  
M.No. 25854



**ACCEL TRANSMATIC LIMITED**  
 Regd office : "Accel House", 75 Nelson Manickam Road, Aminjikarai, Chennai 600 029  
 Statement of Audited Results for the Quarter and Year ended March 31, 2017  
 CIN : L30007TN1986PLC100219

S No	Particulars	Quarter Ended			Financial Year	
		31.03.2017		31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Revenue</b>					
	(a) Net sales / Income from Operations (Net of excise duty)	15.78	43.24	30.43	119.34	69.11
	(b) Other Operating Income	-	-	-	-	-
	(c) Other Income	71.55	3.72	3.29	100.16	12.57
	<b>Total Revenue</b>	<b>87.33</b>	<b>46.96</b>	<b>33.72</b>	<b>219.50</b>	<b>81.68</b>
2	<b>Expenses :</b>					
	a. Cost of services	17.76	19.45	17.99	76.75	79.34
	b. Cost of materials consumed	8.21	7.53	11.71	40.05	11.71
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.42)	-	-	(3.42)	-
	d. Purchase of traded goods	-	-	-	-	-
	e. Employee benefits expenses	18.67	15.25	21.16	69.11	63.88
	f. Finance costs	11.44	12.04	13.15	48.80	59.96
	g. Depreciation and amortisation expense	27.40	34.12	44.08	129.87	175.85
	h. Other expenses	59.59	30.79	164.29	151.44	256.49
	<b>Total Expenses</b>	<b>139.65</b>	<b>119.18</b>	<b>292.38</b>	<b>512.59</b>	<b>647.23</b>
3	<b>Profit (+)/Loss (-) from Ordinary Activities before Exceptional Items (1-2)</b>	<b>(52.32)</b>	<b>(72.22)</b>	<b>(258.66)</b>	<b>(293.09)</b>	<b>(565.55)</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit (+)/ Loss (-) from Ordinary Activities before tax (3+4)</b>	<b>(52.32)</b>	<b>(72.22)</b>	<b>(258.66)</b>	<b>(293.09)</b>	<b>(565.55)</b>
6	Tax expense	-	-	-	-	-
	a) Current Tax	-	-	-	-	-
	b) Minimum Alternate Tax Credit	-	-	-	-	-
	c) Deferred Tax	-	-	-	-	-
	d) Tax relating to earlier year	-	-	-	-	-
7	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (5-6)</b>	<b>(52.32)</b>	<b>(72.22)</b>	<b>(258.66)</b>	<b>(293.09)</b>	<b>(565.55)</b>
8	Extraordinary Item (Net of tax expense)	-	-	-	-	-
9	<b>Net Profit (+) / Loss (-) for the period (7-8)</b>	<b>(52.32)</b>	<b>(72.22)</b>	<b>(258.66)</b>	<b>(293.09)</b>	<b>(565.55)</b>
10	Paid-up equity share capital (Face Value of Rs. 10/- per Share)	1,103.74	1,103.74	1,103.74	1,103.74	1,103.74
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(3,609.75)	(3,078.06)
12	Earnings Per Share (EPS) ( of Rs.10/- each ) (not annualised) (Amount Rs.)					
	<b>I. Earning per Share before extraordinary items</b>					
	(a) Basic	(0.93)	(1.11)	(2.80)	(3.11)	(5.58)
	(b) Diluted	(0.93)	(1.11)	(2.80)	(3.11)	(5.58)
	<b>II. Earning per Share after extraordinary items</b>					
	(a) Basic	(0.93)	(1.11)	(2.80)	(3.11)	(5.58)
	(b) Diluted	(0.93)	(1.11)	(2.80)	(3.11)	(5.58)



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Segment wise Audited Results for the Year ended March 31, 2017

SI.No	Particulars	Quarter Ended		Twelve Months Ended	
		Audited	Un Audited	Audited	Audited
		31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17
<b>1</b>	<b>Revenue by Industry segment</b>				
	Animation	19.42	28.85	9.98	84.95
	Engineering Services	22.40	14.51	20.16	77.00
	<b>Total segment Revenue</b>	<b>41.82</b>	<b>43.36</b>	<b>30.14</b>	<b>161.96</b>
<b>2</b>	<b>Segment Results</b>				
	Animation	(97.33)	(64.98)	(247.64)	(315.69)
	Engineering Services	10.94	1.19	(1.45)	13.86
	<b>TOTAL</b>	<b>(86.39)</b>	<b>(63.79)</b>	<b>(249.09)</b>	<b>(301.83)</b>
	Less : Interest ( Net )	11.44	12.04	13.14	48.80
	Add: Unallocated Income	45.52	3.60	3.58	57.54
	<b>Total Profit / ( Loss ) before tax</b>	<b>(52.32)</b>	<b>(72.23)</b>	<b>(258.65)</b>	<b>(203.09)</b>
<b>3</b>	<b>Capital Employed</b>				
	Segment Assets - Segment Liabilities				
	Animation	316.84	417.63	553.83	316.84
	Engineering Services	33.69	(1.32)	16.55	33.69
	Unallocated Segment Assets less unallocated Segment Liabilities	(2,356.55)	(2,251.15)	(2,164.01)	(2,356.55)
	<b>Total</b>	<b>(2,006.01)</b>	<b>(1,834.83)</b>	<b>(1,593.63)</b>	<b>(1,593.63)</b>



## Statement of Assets and Liabilities

		Particulars		(Rs. in lakhs)	
		As at 31.03.2017 Audited	As at 31.03.2016 Audited		
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders' Funds:				
	(a) Share Capital #	1,603.74	1,603.74		
	(b) Reserves & Surplus	(3,603.75)	(3,197.36)		
	<b>Sub-Total Shareholders funds</b>	<b>(2,006.01)</b>	<b>(1,593.62)</b>		
2	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	2,389.85	2,296.69		
	(b) Deferred tax liabilities(Net)	-	-		
	(c) Other Long-term liabilities	-	-		
	(d) Long-term provisions	0.59	0.30		
	<b>Sub-Total Non-current liabilities</b>	<b>2,390.44</b>	<b>2,296.99</b>		
3	<b>Current liabilities</b>				
	(a) Short-term borrowings	-	-		
	(b) Trade payables	89.73	104.12		
	(c) Other current liabilities	177.84	127.92		
	(d) Short term provisions	0.02	0.01		
	<b>Sub-Total -Current liabilities</b>	<b>267.59</b>	<b>232.05</b>		
	<b>TOTAL -EQUITY AND LIABILITIES</b>	<b>652.02</b>	<b>935.41</b>		
<b>B</b>	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Fixed assets (Property, Plant and Equipment, Capital work-in-progress and Intangible assets)	426.94	712.56		
	(b) Non-current investment	0.02	0.02		
	(c) Long term loans and advances	68.93	65.15		
	(d) Other non-current assets	-	-		
	<b>Sub-total -Non-current assets</b>	<b>495.89</b>	<b>777.73</b>		
2	<b>Current assets</b>				
	(a) Inventories	14.23	6.93		
	(b) Trade receivables	61.28	27.85		
	(c) Cash and Bank balances	11.84	4.09		
	(d) Short-term loans and advances	68.78	92.64		
	(e) Other current assets	-	26.17		
	<b>Sub-total -Current assets</b>	<b>156.13</b>	<b>157.68</b>		
	<b>TOTAL - ASSETS</b>	<b>652.02</b>	<b>935.41</b>		

Note: # Includes Preferential Capital, Subscribed by the holding company, Accel Limited Rs. 500 Lakhs

Chennai

Dated: 25th May 2017



Chairman

**Notes:**

- 1) The results for the Quarter & Twelve months ended March 31, 2017 have been audited by the statutory auditors and taken on record at the meeting of Board of Directors held on 25<sup>th</sup> May 2017.
- 2) The figures for the quarter ended 31-03-2017 is the balancing figure between the audited figures in respect of full financial year and published unaudited year to date figures upto the third quarter of the current financial year.
- 3) The company has currently two segments, i.e. Animation Services & Engineering Services.
- 4) No provision for Taxes has been made in the accounts on account of the losses incurred by the company.
- 5) The Auditors in the report for the year had expressed doubt about the ability of the company to continue as a going concern in view of the net worth being fully eroded. However, the management is of the opinion that considering the future expected cash flows and financial support from the holding company including the proposal to merge the holding company with the company, the Company will be in a position to continue as a going concern and hence the Accounts have been drawn up on that basis. The management has taken many steps in this regard including infusion of additional funds from the holding company to revive the operations.
- 6) In the opinion of the management there is no impairment as on the date of balance sheet in the value of the carrying cost of fixed assets of the company within the meaning of Accounting Standard - 28 on Impairment of Assets issued under The Companies (Accounting Standard) Rules 2006, considering the commercial earning potential of the company and based on the estimated future cash flow upon crystallization of enquiries received by the company for the intellectual property rights carried in the books as intangible assets. The Auditors, however, have in their report on the Financial Statements drawn attention to the fact that the pattern/quantum of cash flows would depend upon crystallization of enquiries received by the company.
- 7) As per the Madras High Court order the Company has conducted EGM of Shareholders of the Company to consider the merger proposal of its holding company M/s Accel Limited (Unlisted Company) with the Company on an application by the company as per the decision of the Board Meeting held on 27-03-2015 in respect of merger, on Friday 27<sup>th</sup> November 2015. The same was approved by the Shareholders in the meeting. Company has filed necessary application with Madras High Court for its approval, which is pending. The Accounts have been drawn up without considering the said proposal.
- 8) The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

9) Information on Investor complaints (numbers)

Pending at the beginning of the quarter	:	Nil
Received during the quarter	:	Nil
Resolved/replied during the quarter	:	Nil
Unresolved at the end of the quarter since resolved	:	Nil

Place: Chennai

Date: May 25, 2017



For and on behalf of the Board,

  
CHAIRMAN