

ACCEL LIMITED

(Formerly known as Accel Transmatic Limited)



AL/NRP/BSE/016/2020-21

Date:03.09.2020

To
The Corporate Relations Department
BSE LIMITED
Phiroze Jeejeebhoy Towers,
25th floor, Dalal Street,
Mumbai-400 001

Dear Sir,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SCRIP Code: 517494- Accel Limited

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please take note that Board of Directors ("Board") of the Company at its meeting held on September 03, 2020, considered and approved the Scheme of Amalgamation ("Scheme") pursuant to Sections 233 and other applicable provisions of the Companies Act, 2013, providing for the amalgamation of its wholly owned subsidiaries viz., Ensure Support Services India Limited, and Computer Factory (India) Private Limited ("Transferor Companies") with Accel Limited ("Transferee Company").

The Scheme would be subject to the requisite statutory/ regulatory approvals including the approval of the Regional Director, Chennai.

We enclose herewith the details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated September, 2015 as given in **Annexure-A** to this letter.

Please take the information on record.

Thanking you.
For **Accel Limited**,

Sd/-
N R Panicker
Managing Director
DIN:00236198

Encl: as above.

Annexure-A**Disclosure under Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

S.No	Particulars	Description
1.	List of the entities forming part of the amalgamation / merger, details in brief such as size, turnover etc"	<p>i. Transferor Companies</p> <p>Ensure Support Services India Limited (“ESSIL”)- CIN U72900TN2013PLC091888</p> <p>Computer Factory (India) Private Limited (“CFIPL”)- CIN- U51909TN1993PTC026207</p> <p>ii. Transferee Company</p> <p>Accel Limited (“AL”)- CIN L30007TN1986PLC100219 SCRIP Code: 517494</p> <p>iii. The scheme of amalgamation provides for amalgamation of all the above Transferor Companies with Accel Limited (Transferee Company). Both the Transferor Companies are wholly owned subsidiaries of the Transferee Company.</p> <p>iv. Turnover/ Revenue for year ended March 31, 2020</p> <p>Transferor Companies:</p> <p>ESSIL - Rs.105.75 Crores</p> <p>CFIPL – 9.35 Crores</p> <p>Transferee Company:</p> <p>AL – 2.37 Crores</p>
2.	Whether the transaction would fall within related party transactions? If yes, whether the	The Transferor Companies are wholly owned subsidiaries of the Transferee Company. The proposed

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	same is done at 'arm's length'	Scheme of Amalgamation being dealt under the specific sections of the Companies Act, 2013, does not fall within the purview of related party transaction pursuant to the circular No.30/2014 dated 17.07.2014 issued by the Ministry of Corporate Affairs. Further, being the Scheme of Amalgamation between holding company and its wholly owned subsidiary companies, pursuant to the provisions of Regulations 23(5)(b) of SEBI LODR Regulations, 2015, it is exempt from the relevant provisions of related party transactions under the said SEBI LODR Regulations, 2015 as well as from the provisions of SEBI circular dated 10.03.2017.
3.	Area of business of the entities	<p>The Ensure Support Services India Limited (Transferor company) is engaged in the business of providing after sales services in the nature of warranty fulfilment services, spare parts management, infrastructure management services, break-fix maintenance services in the nature of paid services, managed print services and e-waste management.</p> <p>The Computer Factory (India) Private Limited (Transferor company) is engaged in the business of IT Infrastructure Management and Systems integration.</p> <p>The Accel Limited (Transferee company) is engaged in the business of Animation Services, Engineering Services and Real Estate Development.</p>
4.	Rationale for amalgamation/merger	<ul style="list-style-type: none">The Transferee Company is the Holding company of the Transferor Companies. The Transferee Company has invested substantial amount of funds in the Transferor Companies. The Transferee Company was into similar business earlier and has got vast knowledge and experience in such type of business. The Transferee Company, being a Listed Company wants to tap into the tremendous business potential available presently in India and position itself as one of the main Information Technology (IT) Service Companies in India. Furthermore, the Amalgamation

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Factory : No. 34, SIDCO Electronics Complex, Thiru Vi. Ka. Industrial Estate, Guindy, Chennai - 600 032. Phone : 044 - 22500338

Animation Division : Drishya Building, KINFRA Film & Video Park, Sainik School PO, Kazhakkuttam, Thiruvananthapuram - 695 585. Phone : 0471 - 2167859

Website : www.acceltransmatic.com / www.accel-india.com

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		<p>will also result in enriching the shareholders of the Transferee Company and reward them well.</p> <ul style="list-style-type: none">• The Transferee Company will have, post – amalgamation, the ability to leverage on the large combined asset base of both the Transferee and the Transferor Companies. It will also be possible to take advantage of the combined professional and managerial experience and expertise to increase shareholder value. The Amalgamation will also result in the Transferee Company being able to scale up its existing business operations by combining the business interests of both Companies into one corporate entity. This will result in operational synergies, centralization, simplification, streamlining and optimization of the corporate structure of the group, thereby facilitating efficient administration.• On evaluating the growth of the Transferor Companies, it is considered that the amalgamation will enable pooling of resources of the aforesaid Transferor Companies with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiencies which would be beneficial to all stakeholders. The consolidated entity will offer a strong and stable financial structure to all stakeholders, facilitate resource mobilization and lead to the achievement of better cash flows and also optimum utilization of assets and resources. This will result in a substantial enhancement of shareholders’ value of the Transferee Company.• The activities of the Transferor Companies and the Transferee Company complement each other, and the combined efforts and resources would lead to a more concentrated approach towards development of the business and the achievement of their objectives.• The merger of the Transferor Companies with
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		<p>the Transferee Company will help in the creation of a platform for future business activities, and act as a gateway for growth and expanding business operations wherein the business activities of the Transferor Companies can be advantageously combined with the business activities of the Transferee Company.</p> <ul style="list-style-type: none">• Consequent upon merger, the Transferee Company would be able to optimize the resources required for overall general and administrative purpose. The Transferee Company would be able to use its existing resources as well as the resources of the Transferor Companies and this would reduce the cost of maintaining and using separate resources.• The consolidated entity is likely to achieve higher long-term financial returns than could be achieved individually by the Companies. The merger will enable the Transferee Company to come out of its serious liquidity crunch, which is presently having a significant adverse impact on its business operation.• The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities. The amalgamation will also help achieve business synergies.• The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Companies into the Transferee Company, under a single centralized system of management, will result in the management being able to exercise greater control over the operations of the Companies. This will also
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		<p>result in the management being enabled to undertake any re-structuring/re-organization of the various business undertakings of the Companies for the purposes of achieving optimum efficiency and/or to attract investments in the individual business undertakings of the Companies. The amalgamation will result in consolidation of market share and increased customer recognition.</p> <ul style="list-style-type: none">• The Banks, creditors and institutions, if any of the Transferor and Transferee companies are not affected by proposed amalgamation as their security is maintained and no compromise or arrangement is made with them. There is no likelihood that the interests of any shareholder or creditor of either the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Companies or the Transferee Company.• The Scheme is in the interest of the shareholders, creditors and employees of the Transferor Companies & Transferee Company and their stakeholders and would enable the Transferor Companies and Transferee Company to adopt a focused business approach for the maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or / and general public at large.
5.	In case of cash consideration - amount or otherwise share exchange ratio	Since, the Transferor Companies are wholly owned subsidiaries of the Transferee Company, no shares of the Transferee Company shall be allotted under the Scheme of Amalgamation.
6.	Brief details of change in	There would be no change in shareholding pattern of

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	shareholding pattern (if any) of listed entity	the Transferee Company.
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Managing Director
DIN:00236198

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