

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (E)  
Mumbai-400051

Bombay Stock Exchange Ltd  
P.J. Towers  
Dalal Street  
Mumbai 400 001

Scrip Code : BSE 532774  
NSE AFL

Dear Sir,

Sub: Notice under Clause 36 and other relevant provisions of the listing agreement.

This is to bring to your notice that CAC Corporation ("CAC") 24-1, Hakozaicho, Nihonbashi, Chuo-Ku, Tokyo, 103-0015, Japan, a Tokyo head quartered IT services company, (the "Acquirer"), and Accel Frontline Limited (the "Company") and the Company's Present Promoters have come together to form a Joint Venture with CAC taking a 51% stake in the Company by means of a secondary purchase from the Present Promoters and also direct investment in the Company by way of a preferential Issue.

A definitive agreement has been arrived at between the parties today as Accel Frontline Limited's Board approved the proposed transaction which includes the following:

- a) CAC to purchase of equity shares held by the Present Promoters namely M/s. Accel Limited, M/s. Accel Systems Group Inc., USA and Mr. N.R. Panicker (the "Sellers" or "Present Promoters"), to the extent of 25.20% of the post issue subscribed and paid up equity share capital of the Company at a price which shall be Rs.45/- per equity share subject to regulatory approvals in Japan and India
- b) Subject to the approval of the shareholders, CAC to acquire by way of Preferential Allotment upto 55,00,000 Equity Shares of Rs. 10/- each representing approximately 18.48% of the post issue issued, subscribed and paid up equity share capital of the Company at a price which shall be Rs.45/- per equity share subject to and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").
- c) the Acquirer would be launching a tender offer for acquiring 26% of enhanced equity capital of the company in terms of the Securities and Exchange Board of India (Substantial Acquisition And Takeover) Regulation 2011, as amended thereto (the "Open Offer").
- d) Subject to the approval of the shareholders, to amend the Articles of Association of the Company
- (e) to convene the Extra Ordinary General Meeting of the shareholders of the Company on January 8, 2014.



Pursuant to the completion of the proposed acquisition, preferential allotment and open offer, the Acquirer would hold the majority of the paid up equity share capital of the company i.e. at least 51% of the paid up capital of the company.

In case after the completion of the Open Offer, the shareholding of the promoters exceeds 75 %, the promoters (including CAC, who is named as co-promoter) will arrange to divest such shares in the market, so as to achieve the minimum Public Shareholding.

Further, on the acquisition of 25.20% shares of the Company, the Board, each committee and sub committee of the Board will be reconstituted in accordance with the applicable law, so as to effect (i) the appointment of Executive / Non-Executive Directors of CAC on the Board.

Kindly take the same on record.

Thanking you

Yours faithfully  
For Accel Frontline Limited



N.R.Panicker  
Managing Director