ACCEL FRONTLINE
GLOBAL IT SERVICES

ACCEL FRONTLINE LIMITED

Regd.Office: No.75, Nelson Manickam Road, Aminjikarai, Chennai 600 029

NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of Accel Frontline Limited will be held on Wednesday , 8th January, 2014 at 10.30 AM at **Pearl Hall, First Floor, "The Aruna Chennai"**, 144-145, Sterling Road, Chennai 600 034, to transact the following business:

SPECIAL BUSINESS:

Item No. 1

AMENDMENT IN ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to give assent / dissent to the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, if any, the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited, the Articles of Association of the Company be and are hereby altered / amended / substituted suitably by inserting / deleting/ amending the following:

The following definitions to be added alphabetically at appropriate places :

"Affiliate" means (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, controls, is controlled by or is under common control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, the Relatives of the Subject Person and any other Person that, either directly or indirectly, is controlled by the Subject Person and , (iii) in case of the Promoters, shall include their Relatives. For purposes of this definition, "control" shall mean the power to direct and control the management or policies of a Person, whether through ownership of over 26% (twenty six per cent) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise.

"Annual General Meeting" means a General Meeting held in accordance with the provisions of section 166 of the Act and any adjourned holding thereof.

"Articles" means these Articles of Association of the Company as amended from time to time and in force for the time being.

"Auditors"means and includes those persons appointed as such for the time being by the Company.

"Business Day"shall mean any day other than a Saturday, Sunday or any day on which banks in Mumbai, India (or) Tokyo, Japan are permitted to be closed except for regulatory matters for which the calender of the respective regulatory authority will be considered to determine the business day.

"Bye-Laws" means bye-laws made under section 26 of the Depositories Act.

"CAC Corporation" shall mean:

(i) The company incorporated under the laws of Japan and having its registered office at 24-1, Hakozakicho, Nihonbashi, Chuo-ku, Tokyo 103-0015, Japan

(ii) Any body corporate with which CAC or its successors and assigns has amalgamated or merged;

(iii) Any person who holds equity / preference share capital of CAC.

And for the purpose of determining the shareholding of CAC to exercise any rights conferred upon CAC under or in pursuance of these Articles, the Shares held by CAC (as defined above) in the Company together with the Shares held in the Company by the shareholders of CAC shall be deemed to be the Shares held in the Company by CAC

"Debenture" include Debenture Stock.

"Effective Date"means the date on which CAC acquires not less than 25.20% (twenty five point two percent) of the Company's Share Capital as contemplated under the Shareholders Agreement (referred to as The First Tranche Shares in the Shareholders Agreement).

"Equity Share(s)" means the equity Share(s) of the Company having as per value of INR 10 (Rupees ten) per share and one vote per share.

"Extra-Ordinary General Meeting" means an Extra Ordinary General meeting of the Members duly and constituted and any adjourned holding thereof.

"Fully Diluted Basis" means, with reference to Share numbers, that the calculation should be made assuming that (i) all Share Equivalents existing as of the Effective Date of the Shareholder agreement have been so converted, exercised or exchanged ; and (ii) the Equity Shares have been issued and allotted to CAC pursuant to the Share Subscription Agreement.

"Governmental Approvals" shall mean, in respect of a transaction (including the transaction contemplated under the Shareholder agreement) any notice, consent, approval, authorization, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of , with or to any Governmental Authority and a "Governmental Approval" shall mean any of them.

"Governmental Authority" shall mean any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India, or any other jurisdiction, as application, or any political subdivision thereof or any other applicable jurisdiction ; any court, tribunals and any securities exchange, or body or authority regulating such securities exchange.

"INR" Or " Rupees"shall mean Indian Rupees, the lawful currency of the Republic of India

"Law" shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinanaces, bye-laws or orders of any Governmental Authority, (b) Governmental Approvals and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

"Meeting" "Meeting or General Meeting" shall mean a meeting of the Members.

"Open Offer" shall mean the open offer for at least 26% (twenty percent) of the Equity Shares required to be made by CAC under the SEBI Takeover Regulations following the execution of the Shareholder agreement.

"Open Offer Shares" shall mean the Equity Shares to be purchased by CAC under the Open Offer.

"Paid Up" shall include credited as paid up.

"Participant" shall mean a person registered as such under sub section (IA) of section 12 of the Securities and Exchange Board of India Act, 1992.

"Person" shall mean any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, Governmental Authority or other entity, enterprise, authority, business organization or any other entity that may be treated as a person under Law.

"Promoters" means collectively, Accel Limited, Accel Systems Group Inc. and Mr N R Panicker.

"Promoter Directors" shall have the meaning ascribed to the term in Article 116A

"Promoter Threshold" shall mean a minimum of 15%(Fifteen per cent) of the Share Capital of the Company on a Fully Diluted Basis.

"Register of Members" shall mean the register of members to be kept pursuant to the Act and the Register and Index of beneficial owners maintained by the Depository under the Depositories Act.

"Relative" shall in case of individual Continuing Promoter mean spouse, son and unmarried daughters of the Promoters.

"Sale Shares" shall mean 123,73,556 Equity Shares constituting upto 51% (fifty one per cent) of the Share capital of the Company as set out in the Shareholder agreement.

"SEBI ICDR Regulations" shall mean the Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

"SEBI Takeover Regulations" shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, and shall also refer to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for period prior to October 23, 2011, wherever applicable.

"Securities and Exchange Board of India" shall mean the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

"Security(ies)" shall mean and include Equity Shares, Debentures, preference shares and/or such other securities as may be specified under the Act or by SEBI or other competent authority from time to time.

"Share Capital" shall mean the total issued and paid-up equity share capital of the Company.

"Share Equivalent" shall mean any instrument convertible into Equity Shares and includes without limitation the global depository receipts, American depository receipts, warrants, convertible preference shares and options including options issued pursuant to any employee stock option plan that may be implemented by the Company, loans or other securities that are directly or indirectly convertible into or exercisable or exchangeable for Equity Shares (whether or not by their term then currently convertible, exercisable or exchangeable).

"Shareholders Agreement" shall mean the agreement dated 9th December, 2013 entered into amongst others, the Company, the Promoters and CAC

"Share Subscription Agreement" shall mean the share subscription agreement dated 9th December , 2013 entered into amongst others, the Company, The Promoter, and CAC.

"Subscription Shares" shall mean 55,00,000 Equity Shares constituting 18.48%(eighteen point forty eight per cent) of the Share Capital of the Company as set out in the Share Subscription Agreement.

"Year" shall mean the calendar year.

Following Definitions to be deleted:

"Articles" or "these presents"

Following Definitions to be modified:

"Depository" means a Depository as defined under clause (e) of sub-section (l) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section I (A) of section 12 of the Securities and Exchange Board of India Act, 1992.

Interpretation

Following Interpretation to be modified:

3 (d) Subject as aforesaid, any words or expressions defined in the Act shall except where the subject or context forbids bear the same meaning in these Articles.

Following interpretation to be added:

(e) The provisions contained in these Articles relating to CAC conferring special rights on CAC being Articles 65A, 65B, 89A,90, 92, 94, 116A to 116F, 136A, 139, and 144(b) will come into effect only on and from the Effective Date, despite these Articles having been approved by the Board and the Members, except CAC's right to appoint one CAC Director as contained in Article and Articles, and, which shall come into effect in accordance with the provisions contained in the respective Articles.

(b) On and from the Effective Date, the provisions contained in Articles 93, 94, 137, 138, 156 and 159 will automatically cease to have any effect.

Following Articles to be Added:

To be added after Article 56

56A Death of one or more joint holders of Shares

In case of the death of any one or more of the persons named in the Register of Members as joint holders of any Share the survivors shall be the only persons recognized by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder for any liability on Shares held by him jointly with any other person.

To be added after Article 65A

65A (a) None of the Promoters nor their respective Affiliates shall Transfer or attempt to Transfer any Equity Shares or Share Equivalents or any right, title or interest therein or thereto, except as expressly permitted in these Articles. None of the Promoters or their respective Affiliates shall transfer or attempt to Transfer any Equity Shares or Share Equivalents or any right, title or interest therein or thereto, to any person, during the period commencing from the Final Completion Date (as defined in the Shareholder agreement) and ending on 3 (three) years from the Final Completion Date provided however that the Promoters may sell upto 2% (two percent) of the Share Capital of the Company held by them during the calendar year during this period of 3 (three) years subject to the condition that the Promoter's shareholding shall not fall below 15% (fifteen percent) of the Share Capital of the Company.

(b) Any Transfer or attempt to Transfer Equity Shares or Share Equivalents in violation of these Articles shall be null and void ab-initio, and the Company shall not register any such Transfer.

(c) No Transfer of Equity Shares or Share Equivalents may be made pursuant to this Article 65A , and Article 65B, unless:

(i) Transfer complies in all respects with the other applicable provisions of the Shareholder agreement: and

(ii) the Transfer complies in all respects with applicable Law and these Articles.

(d) Any Transfer amongst the Promoters inter se and any transfer amongst CAC and its Affiliates inter se may be made at any time without compliance with the provisions of Article 65B.

(e) None of the Promoters nor their respective Affiliates shall Transfer or attempt to Transfer any Equity Shares or Share Equivalents or any right, title or interest therein or thereto, to any Competitor of the Company. For this purpose, "Competitor" means a Person who is directly, indirectly or beneficially, by themselves or in Association with or through any Person, engaged in carrying on any business identical or similar to the Business or the business of the Subsidiaries or any part thereof by competing in any manner with the Business or the business of the Subsidiaries.

(f) Subject to the requirements of the Depository, the Company and the Promoters shall issue appropriate instructions to the Depository and the Depository Participants not to Transfer the Equity Shares or Share Equivalents of any of the Promoters, except in accordance with these Articles and the Joint Venture Agreement.

(g) The Transfer restrictions in these Articles, including but not limited to those in this Article 65A shall not be capable of being avoided by the holding of Equity Shares or Share Equivalents indirectly through a company or other entity that can itself be

sold in order to dispose of an interest in Equity Shares or Share Equivalents free of such restrictions. Any Transfer, issuance or other disposal of any equity securities resulting in any change in the control, directly or indirectly, of a Continuing Promoter (being a body corporate) having control, directly or indirectly, over that Continuing Promoter shall be treated as being a Transfer of the Equity Shares or Share Equivalents held by that Continuing Promoter, and the provisions of these Articles that apply in respect of the Transfer of Equity Shares or Share Equivalents so held by that continuing Promoter

65B Subject to the provisions of Article 65A above if any of the Promoters or their respective Affiliates propose to make of Transfer of any Equity Shares or Share Equivalents at any time after 3 (three) years from the Date of Final Completion (as defined in the Shareholder agreement) or if any of CAC or its Affiliates propose to make a Transfer of any Equity Shares Or Shares Equivalent at any time from the Date of Final Completion ("Transferring Shareholders"), the Transferring Shareholders shall send a written notice (ROFR Notice") advising CAC or the Promoters, as the case may be ("Transferee Shareholder"), which notice shall include all material terms and conditions of such Transfer of Equity Shares or Share Equivalents including without limitation: (i) the number of Equity Shares or Share Equivalents proposed to be Transferred ("ROFR Equity Securities"); and (ii) the amount of the consideration for the proposed Transfer (in the event that the proposed consideration for the proposed Transfer includes consideration other than cash, the ROFR Notice shall include a calculation of the fair market value of such consideration as determined by a reputed investment bank). The Transferring Shareholder shall also be required to provide as an enclosure to the ROFR Notice, a copy of the memorandum of understanding/letter of intent or other similar document executed between the Transferring Shareholder and the proposed transferee of the ROFR Equity Securities. Provided, however, the Right of First Refusal of the Promoters or their respective Affiliates under this Article

65B shall be exercisable only when the amount of the consideration for the proposed Transfer by CAC is equal to or below are the fair market value, which shall be calculated in accordance with the pricing guidelines for a share transfer from a nonresident of India to a resident of India under the then prevailing pricing guidelines.

a. **Election Notice:** Within 45 (forty five) Business Days from the date of receipt of the ROFR Notice, the Transferee Shareholder shall have the right (**"Right of First Refusal"**), exercisable at its sole discretion to elect, by way of written notice in this regard, to purchase, either through itself or any Person identified by the Transferee Shareholder and duly confirmed by such Person (**"ROFR Transferee"**), all or part of the ROFR Equity Shares on the terms and conditions set out in the ROFR Notice ("Election Notice"). In the event that the Transferring Shareholders does not receive the Election Notice within 45 (forty five) Business Days of receipt of the ROFR Notice by the Transferee Shareholder, the Transferring Shareholders shall be free to sell the ROFR equity Shares to any third party on the same terms and conditions specified in the ROFR Notice or on terms and conditions that are less favourable to the proposed transferee than those specified in the ROFR Notice.

b. **Sale and Transfer to the Transferee Shareholder.** Upon the issuance of Election Notice, the Transferee Shareholder or ROFR Transferee (as the case may be) shall be under an obligation to purchase from the Transferring Shareholders, and the Transferring Shareholders shall be under an obligation to sell, the ROFR Equity Shares on the terms and conditions as stated in the ROFR Notice. Such sale and transfer shall be completed 45(forty five) Business Days from the date of Election Notice or such other extended period as may be required pursuant to applicable Law not in any event exceeding an additional period of 90 (ninety) Business days.

c. **Closing:** At the closing of any purchase of ROFR Equity Shares by the Transferee Shareholder or the ROFR Transferee (as the case may be), the Transferring Shareholders shall deliver duly executed delivery instruction slips in relation to the ROFR Equity Shares instructing the depository participant to Transfer the ROFR Equity Shares in favour of the Transferee Shareholder or the ROFR Transferee (as applicable). Such ROFR Equity Shares shall be free and clear of any Encumbrance (other than those under this Agreement, if any), and the Transferring Shareholders shall so represent and warrant and shall further represent and warrant that they are the beneficial and legal owners of such ROFR Equity shares. The Transferee Shareholder or ROFR Transferee (as Applicable) purchasing the ROFR Equity shall, simultaneously, deliver at such closing, payment in full of the consideration in accordance with the terms set forth in the ROFR Notice, and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the ROFR Equity Shares to the Transferee Shareholder or the ROFR Transferee (as applicable). Time Period. If the sale of the ROFR Equity Shares to the third party referred to in the Article 65B (c), is not completed within a time period of 90 (ninety) Business days from the expiry of the time available to the Transferring shareholders to send Election notice or such other extended period as may be required pursuant to applicable Law not in any event exceeding an additional period of 90 (ninety) Business days provided that legally binding share sale agreements have been entered into in respect of the sale of the ROFR Equity Shares within such period of 90 (ninety) Business days from the expiry of the time available to the Transferring Shareholders to send Election Notice, the Transferring shareholders shall not be entitled to consummate such sale, except by following the procedure set out in this Clause 12 denovo.Notices.

d. All notices given under this Article 65B shall be given concurrently to the Company.

e. Tag-Along and Drag-Along Rights. The rights relating to the Tag Along Shares (as defined hereinafter), contained in Article 65B (e)(i) and shall be exerisable at the discretion of CAC or the Promoters as the case may be and the Drag-Along Rights (as defined herein) contained in Article 65B (e)(ii) below shall be exercisable at the discretion of CAC in the manner provided therein.

i) If CAC or any of the promoters as the Pre-emptive Right Holder, for any reason is unable to exercise the Right of First Refusal as set out in Article 65B above, it shall, in its sole discretion, be entitled, within the period of 45 (forty five) days mentioned in Article 65B(b), to require the third party to purchase all, or less than all the shares held by it in the Company ("Tag Along Shares") in such proportion as determined by CAC or any of the promoters as the case may be on the same terms and conditions as contained in the ROFR Notice, in which case, the sale of ROFR Sale Shares to the third party shall not be consummated, unless the Tag Along Shares are also purchased simultaneously by the third party on the same terms and conditions as the ROFR Sale Shares.

ii) If the Promoters as the Pre emptive Right Holders, for any reason are unable to exercise the Right of First Refusal as set out in Article 65B above, and CAC being the Transferring Shareholder intended to sell and transfer the ROFR Sale Shares,(being the entire holding of CAC) to the Proposed Transfer, CAC as the Transferring Shareholders shall, in its sole discretion, be entitled, within the limitation period, to require the Promoters mean the Pre emptive Right Holders to sell all and not less than all the shares held by them in the Company ("Drag Along Shares") to the Proposed Transferee on the same terms and conditions as contained in the ROFR Notice, in which case, the sale of ROFR Sale Shares to the Proposed Purchasers shall not be consummated, unless the Drag Along Shares are also sold and transferred simultaneously by the Promoters on the same terms and conditions as the ROFR Sale Shares.

Following Articles to be modified

90. Quorum

Five members or as per the Provisions of the Companies Act 2013 entitled to vote and present in person (one of whom must be a representative of CAC shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act or its applicable internal procedures.

93. When quorum is not present General Meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for the General Meeting a quorum is not present the General Meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned not earlier than 10 (ten) Business Days as the Chairman or the Board of Directors may determine at the same day in the next week at the same time and place and if at such adjourned General Meeting a quorum is not present within half an hour from the time for the said General Meeting, the Members present in person or through their representatives thereat shall, notwithstanding anything to the contrary herein contained constitute a quorum and all business transacted shall be regarded as having been validly transacted.

94. Chairman's casting vote

Every question submitted to a General Meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote to which he may be entitled as a Member. On and from the Effective Date the Chairman shall cease to have a casting vote.

To be added after 111

111A Each shareholder of the Company shall vote its Equity Shares at any Extra-Ordinary General Meeting or matters required to be voted by way of a postal ballot, and shall take all other actions necessary, to give effect to these Articles, the rights and privileges of the shareholders included in the Shareholder agreement. In addition, each of the shareholders of the Company shall vote their Equity Shares at any General Meeting or matters required to be voted by way of a postal ballot, upon any matter submitted for action by the shareholders or with respect to which the shareholders may vote and shall cause their Directors on the Board to vote in conformity with the specific terms and provisions of these Articles to the extent legally permissible to give complete legal effect to the provisions of these Articles. CAC, the Promoters and the Company shall use their best efforts to take, or cause to be taken, all actions and to do , or cause to be done, all things necessary or desirable under Law to consummate or implement expeditiously the transactions contemplated by, and the agreements and understanding contained in these Articles.

To be added after 116

116A The Promoters shall jointly so long as they hold in the aggregate, such number of Equity Shares as would constitute 15% (fifteen percent) of the Share Capital of the Company on Fully Diluted basis, have the right to nominate 1 (one) Permanent Director ("Promoter Director") on the Board of the Company. In the event of the resignation or retirement of the Promoter Director, the Promoters shall be entitled to nominate such replacement Director in place of the resigning or retiring Director. Such nomination shall be effected by a writing addressed to the Board under hand of Mr. Panicker or in the absence of Mr. Panicker under the hand of his senior most legal survivor. The Director so nominated by Mr. Panicker under this Article shall not be liable to retire at any General Meeting of the Company. Such successor or replacement shall be nominated and elected on or as soon as practicable after the date of such resignation or removal, any in any event within 25 (twenty five) Business Days after such resignation or removal

116B. Currently Mr. Panicker is the Chairman and Managing Director and is the nominee of the Continuing Promoters. He shall be re-designated as the Executive Chairman of the Company with effect from the Effective Date on the terms and conditions as will be contained in the new contract to be entered into before the Effective Date. Mr. Panicker has agreed to be associated with the Company in this capacity for an initial period of 2 (two) years and thereafter on an yearly basis.

116C. CAC shall immediately from the Effective Date and so long as it continues to hold at least 25% of the Share Capital of the Company on Fully diluted basis it shall have the right to nominate 2 (two) directors on the Board of the Company, one of whom shall be the Vice Chairman of the Board. Of the Two Directors nominated by CAC 1 (one) CAC Director shall be appointed as a permanent member of the Board and shall not be liable to retire at any General Meeting of the Company. CAC shall have the right to require the removal of a CAC Director at any time and shall be entitled to nominate another representative as a Director in place of the Director so removed. In the event of the resignation or retirement of CAC Director, CAC shall be entitled to nominate such replacement Director in place of the resigning or retiring Director. Such successor or replacement shall be nominated and elected on or as soon as practicable after the date of such resignation or removal, and in any event within 25 (twenty five) Business Days after such resignation or removal.

116D. Alternate Director.

CAC shall be entitled through CAC Directors to nominate an alternate Director to act in accordance with the Act for any Director nominated by CAC and shall issue a written notice to the Company in accordance with Article 116C providing the name and contact address of such alternate Director ("Alternate Director Nomination Notice"). The Board shall appoint the alternate Director so nominated within 7 (seven) Business Days of the receipt of such Alternate Director Nomination Notice. CAC shall also have a right to withdraw their nominated alternate Director and nominate another in his place.

116E The number of independent Directors appointed to the Board shall be 3 (three).

116F The Parties agree that the reconstitution of the Board as contemplated in Article

Following Articles to be Deleted

Article 117

135. Alternate Directors

Subject to Article 116D The Board may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director from the State in which the meetings of the Board are ordinarily held for a period of not less than three months. An alternate Director so appointed shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held if the term of office of original Directors is determined before he so returns to the state aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

To be added after 136

136A. Notice. A meeting of the Board may be called by the Chairman of the Board or any Director giving notice in writing to the Company Secretary of the Company, specifying the date, time and agenda for such meeting. The Company Secretary shall, upon receipt of such notice give a copy of such notice to all Directors of such meeting, accompanied by a written agenda specifying in reasonable detail the business of such meeting. The Company shall ensure that notice of a meeting of the Board shall be accompanied by necessary background and other information and/or supporting documents pertaining to the business proposed to be transacted thereat. Generally the dates and place of the Board Meeting shall be fixed for the year. Accordingly, in case of non placed Board Meetings not less than 7 (seven) Business Days notice of a meeting of the Board shall be given to all Directors; provided, however, that such notice period: (i) shall not apply in the case of an Adjourned Board Meeting pursuant to Article 136B and (ii) may be reduced with the written consent of a majority of the Directors, provided, however, that such majority shall include a CAC Director.

136B Quorum. Subject to the provisions of the Act, all meetings of the Board on and after the Effective Date shall require a quorum of the higher of 3 (three) or 1/3rd (one third) of the total strength of the Board, out of which at least two Directors shall be CAC Directors. If such quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourned to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time 7 (seven) Business Days later, at such meeting ("Adjourned Board Meeting") the Directors present shall constitute a valid quorum, even though CAC Directors are not present, provided that written notice of such Adjourned Board Meeting shall have been delivered to all Directors at least 5 (five) Business Days prior to the date of such Adjourned Board Meeting.

136C. **Voting.** At any Board meeting, each Director may exercise one vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the board or in the case of a circular resolution by the majority of the Directors to whom the resolution is circulated. The Board shall not at any meeting, adopt any resolution covering any matter that is not expressly specified on the agenda for such meeting unless a majority of the Directors present at such meeting vote in favour of such resolution. Both the Promoters and CAC shall exercise the voting rights at the Board Meeting, or Shareholders Meeting to give effect to the provisions of the Shareholder Agreement and these Articles in letter and spirit.

136D **Telephone/Video Participation.** The Directors may participate in Board meetings by Audio/Video or radio conferencing or any other means of contemporaneous communication, provided that each Director must acknowledge his presence for the purpose of the meeting and any Director not to doing so shall not be entitled to speak or vote at the meeting. A Director may not leave the meeting by disconnecting his telephone or other means of communication, unless he is previously obtained the express consent of the Chairman of the meeting and a Director shall conclusively be presumed to have been present, unless he is previously obtained the express consent of the Chairman of the meeting to leave the meeting as aforesaid.

136E **Directors and Officers Insurance.** The Company and each Subsidiary shall procure suitable Directors and Officers Liability insurance in favour of its Board of Directors (including The Alternate Directors) and the Board of Directors of each Subsidiary, from a reputable insurance company, in form and substance satisfactory to CAC. Such insurance coverage shall be a minimum of INR 5,000,000 (Rupees five million) for each Director.

137. Quorum

Prior to the First Completion Date, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. On and from The First Completion Date, the quorum for a meeting of the Board shall be the higher of 3 (three) or 1/3rd (one third) of the total strength of the Board, out of which at least 2 (two) Directors shall be CAC Directors. If such quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall stand adjourned to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at same place and time 7 (seven) Business Days later. At such meeting (" Adjourned Board Meeting"). The Directors present shall constitute a valid quorum, even though CAC Directors are not present, provided that written notice of such Adjourned Board Meeting shall have been delivered to all Directors At least 5 (five) Business Days prior to the date of such Adjourned Board Meeting.

139. How question to be decided

Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board. Any questions arising at a meeting shall be decided by a majority of votes and, in case of any equality of votes, the Chairman shall not have a second or casting vote.

Subject to the provision of Section 256 of the Act at every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. Till such time that Mr. N.R.Panicker and Accel Limited jointly holds 10% in the Company, Mr. N.R.Panicker shall not be liable to retirement by rotation of Directors. On and from the Effective Date the aforesaid right vested in Mr N.R. Panicker shall cease to have effect.

144. Question how determined

a) A committee may meet and adjourn as it thinks proper.
b) Questions arising at any meeting of a committee shall be determined by majority of votes as the members present as the case may be and in case of an equality of vote the Chairman of the Committee shall not have a second or casting vote.

149. Retirement of Directors

Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to terminate by retirement of Directors by rotation and (b) save as otherwise expressly provided in these Articles be appointed by the Company in General Meeting.

Subject to the provision of Section 256 of the Act at every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. Till such time that Mr. N.R.Panicker and Accel Limited jointly holds 10% in the Company, Mr. N.R.Panicker shall not be liable to retirement by rotation of Directors. On and from the Effective Date the aforesaid right vested in Mr N.R. Panicker shall cease to have effect.

158. Managing Director/Whole time Director

Subject to the provisions of Section 255 of the Act, the Board of Directors may appoint a managing or whole time Director(s) or Executive Director(s) and on such terms and conditions as it may determine The powers of any such Directors appointed in terms of this Article shall be as determined by the Board of Directors.

Item No. 2

TO RAISE ADDITIONAL FUNDS THROUGH FURTHER ISSUE OF SECURITIES BY WAY OF PREFERENTIAL ALLOTMENT

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 81(1A)) and all other applicable provisions of the Companies Act, 1956 **(Companies Act),** if any including any statutory modification(s) or re-enactment thereof, for the time being in force, various rules, circulars, press notes, clarification issued by Foreign Investment Promotion Board, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, **(SEBI (ICDR) Regulations),** as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the stock exchanges where the shares of the Company are listed **(Stock Exchanges)** and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot upto 55,00,000(5.5 Million) equity shares of face value of Rs. 10/- each at a price of Rs. 45/- per equity, on a preferential allotment basis, to M/s.CAC,., incorporated under the Laws in Japan with its registered office situated at 24-1,Hakosakicho, Nihonbashi, Chuo-Ku, Tokyo, 103-0015, Japan ..

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI (ICDR) Regulations for the determination of issue price of the equity shares to be allotted pursuant to the preferential allotment is fixed as 9th December 2013 i.e. 30 days prior to the date of shareholders meeting proposed to be held on 8th January 2014 approve the proposed preferential issue, in terms of Section 81(1A)) of the Companies Act, 1956.

RESOLVED FURTHER THAT the equity shares to be allotted to the proposed allottee pursuant to the aforesaid preferential allotment shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of INR. 10/- each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares and listing of the equity shares to be allotted on

preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) of the Company and to generally do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolutions.

By Order of the Board
For Accel Frontline Limited

Place: Chennai
Dated: 9th December 2013

N.R.Panicker
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is enclosed herewith and forms part of this Notice.

3. Members / Proxies are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.

4. The members who hold shares in dematerialized form are requested to bring their Client Master ID / Depository Participant Statement / Delivery Instruction Slip, reflecting their DP ID and client ID Nos. for easier identification of attendance at the meeting.

5. In case of joint holders attending the meeting, only such joint holder entitled to vote.

6. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney, authorizing their representative to attend and vote at the Extra-Ordinary General Meeting.

7. For security reasons, no article / baggage will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage etc. at the venue of the meeting.

8. As part of the "Green Initiative in Corporate Governance" introduced by the Ministry of Corporate Affairs (MCA), the Company has been sending all shareholder communications such as the Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to shareholders in electronic form to the Email ID provided by them and made available to the Company by the Depositories. Members are requested to register their E-mail IDs with their respective Depository Participants and inform them of any changes to the same from time to time. However, members who prefer physical copy to be delivered may write to the Company at its Registered Office or send an E-mail to sweena.nair@accelfrontline.in by providing their DP ID and Client ID as reference.

9. A copy of (a) the existing Memorandum and Articles of Association of the Company; and (b) the Memorandum of Association and Articles of Association incorporating the proposed alterations thereto, will be available for inspection for the Members on any working day during 11:00 A.M. to 1:00 P.M. upto the date of Extra-ordinary General Meeting.at the Registered Office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In terms of Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all the material facts relating to the Item No. 1 and 2 of the accompanying Notice dated 9th December 2013.

Item No. 1

The Members are aware that CAC Corporation, Japan **("CAC")**, had entered into a Shareholders Agreement ("Agreement")with the Company Promoters and inter-alia with the Company and investec upto Rs. 24.75 Crores in the Company in the form of Equity Shares.

The Members may note that in terms of the Agreement, the Company is required to amend the existing Articles of Association of the Company

The amendments proposed to be made to the Articles are given in the draft resolution as Item No.1 of the annexed notice and are self explanatory.

Pursuant to the provisions of Section 31 of the Companies Act 1956, any amendment in the Articles of Association of the Company requires the approval of the Shareholders of the Company by way of Special Resolution.

Accordingly, consent of the Shareholders by way of Special Resolution has been sought in terms of Section 31 of the Companies Act, 1956.

The Directors of the Company recommend the resolution at Item No. 1 for your approval by way of a Special Resolution.

None of the Directors Key Managerial Person and manger of the Company is, in any way, concerned or interested in the proposed resolution.

ITEM No.2

Section 81 (1A) of the Companies Act, 1956 and Regulation 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations) provides that where the subscribed share capital of the company is proposed to be increased by way of offer, issue and allotment of shares to any select person(s), then a special resolution needs to be passed for effecting such a transaction. Further such special resolution needs to be specific for contents in terms of the SEBI (ICDR), Regulations, as amended from time to time currently in force.

The necessary information pertaining to the proposed preferential allotment is set out below:

i. **The Objects of the issue through preferential offer:**

The proposed issue of Equity Shares is for infusion of fresh equity and thereby raise funds for combination of funding of the capital expenditure requirements, working capital requirement, support growth plans of the company, general corporate purposes and to carry on other allied and incidental legal business.

II **Intention of the Promoters/ Directors/ key Management Persons to subscribe to this preferential offer**

The present promoters of the Company do not intend to subscribe to this preferential offer. However, M/s CAC Japan ,(CAC) strategic investor will invest into the company in order to infuse capital enabling the company towards its expansion and support growth plans of the company, general corporate purposes and shall classify as promoter on completion of the open offer in pursuance of SEBI(SAST) Regulations.

iii **Relevant Date :**

Relevant Date for this purpose is the date 30-days prior to the date of this meeting of the members of the company i.e. 9th day of December, 2013.

iv. **Pricing of Preferential Issue:**

The issue of Equity Shares on preferential basis to the investor shall be at a price of Rs. (45)/- per share (Re. 10/- face value + Rs. (35)/- premium). The price is in compliance with the SEBI pricing norms as specified in the SEBI (ICDR) Regulations.

Since the Company is listed on both the National Stock Exchange of India Limited and the BSE Limited and, the trading volume of securities of the Company on both the stock exchanges is considered to determine the highest trading volume for computation of issue price.

As required under the ICDR Regulations, wherever it is required, the Company shall re-compute the issue price mentioned above in accordance with the ICDR Regulations.

v. Identity of the proposed allottees:

Identity of Proposed allottees	No of equity shares to be allotted	Issue Price (INR) of equity shares	Post Issue shareholding on fully diluted basis
CAC, 24-1,Hakosakicho, Nihonbashi, Chuo-Ku, Tokyo, 103-0015,Japan	55,00,000	Rs.45/-	18.48%

Note : The shareholders of CAC are the beneficiaries for this proposed allotment

vi. Shareholding Pattern pre and post preferential offer:

The present shareholding pattern and the shareholding pattern assuming full allotment of equity shares to CAC is given below:

S No.	Category of shareholder	Pre Issue			Post Issue (After allotment of equity shares)		
		Number of shareholders	Total number of shares	%	Number of shareholders	Total number of shares	%
(A)	Promoter Share Holding						
1	Indian Promoter						
(a)	Individuals/ Hindu Undivided Family	1	10,72,500	4.42	1	10,72,500	3.60
(b)	Bodies Corporate	1	1,42,97,191	58.93	1	1,42,97,191	48.05
	Sub-Total (A)(1)	2	1,53,69,691	63.35	2	1,53,69,691	51.65
2	Foreign Promoter						
(a)	Bodies Corporate	1	4,83,085	1.99	2	59,83,085	20.10
	Sub-Total (A)(2)	1	4,83,085	1.99	2	59,83,085	20.10
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	1,58,52,776	65.34	4	2,13,52,776	71.75
(B)	Public shareholding						
1	Institutions - Indian						
(a)	Financial Institutions/ Banks	1	2,29,971	0.95	1	2,29,971	0.77
	Sub-Total (B)(1)	1	2,29,971	0.95	1	2,29,971	0.77
2	Non-Institutions						
(c)	Bodies Corporate	121	31,87,904	13.14	121	31,87,904	10.71
(b)	Individuals						
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	5,868	17,01,956	7.01	5,868	17,01,956	5.72
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	44	14,29,461	5.89	44	14,29,461	4.80
(c)	NRIs	35	17,85,513	7.36	35	17,85,513	6.00
(c)	Others	67	74,292	0.31	67	74,292	0.25
	Sub-Total (B)(2)	6,135	81,79,126	33.71	6,135	81,79,126	27.48
	Total Public Shareholding (B)= (B)(1)+(B)(2)	6,136	84,09,097	34.66	6,136	84,09,097	28.25
	TOTAL (A)+(B)	6,139	2,42,61,873	100.00	6,140	2,97,61,873	100.00

Note : i. This table shows the expected shareholding pattern of the company upon consummation of the preferential allotment and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared.

ii. If 75,00,000 Equity Shares acquired by the CAC, Japan through Shareholders Agreements are transferred to their name before that Completion of the Preferential allotment, post shareholding pattern of the company may undergo change to that extent from the table set out above.

vii. Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

viii. Consequential change in voting rights and Change in control:

The voting rights of the equity shares will change in accordance with the above reflected share holding pattern. Due to proposed preferential offer there shall be a change in the management control of the company, constitution of its Board of Directors and voting power composition.

ix. Lock in :

The Equity Shares to be issued pursuant to the preferential allotment will be subject to lock in as per regulation 78 of SEBI (ICDR) Regulations, 2009.

x. Others:

The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and Chapter VII of the SEBI (ICDR) Regulations.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors, Key Managerial person or manager of the Company is in any way concerned or interested in the above referred resolution.

By Order of the Board
For Accel Frontline Limited

Place: Chennai
Dated: 9th December 2013

N.R.Panicker
Managing Director