ACCELFRONTLINE
GLOBAL IT SERVICES

ACCEL

AFL/SES/2013-2014
January 29, 2014

The National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

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

Dear Sir,

Sub: Submission of copy of IDC Report as per Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Ref: SCRIP Code: NSE – AFL; BSE - 532774

As per Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, we are submitting herewith a copy of the Independent Directors Committee (IDC) Report on Open Offer by the Acquirer CAC Corporation to the public shareholders of the Target Company as published in the newspapers today.

As per the Regulations, the IDC Report is published today in the following newspapers, which are the same newspapers where the Detailed Public Statement for the Open Offer of 77,38,087 Equity Shares of Accel Frontline Limited (AFL) was made on 16th December 2013.

- Business Standard - All India (English and Hindi)
- Makkal Kurral - Chennai edition (Tamil)
- Navshakti – Mumbai edition (Marathi)

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For Accel Frontline Limited

Sweena Nair
Company Secretary

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Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of the Target Company under Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Date	January 8, 2014
Name of the Target Company (TC)	Accel Frontline Limited (AFL)
Details of the Offer pertaining to TC	The Open Offer is being made by CAC Corporation (CAC/Acquirer) for acquisition of up to 77,38,087 fully paid Equity Shares of face value of Rs. 10/- each, representing 26% of the fully diluted voting Equity Share Capital of the Target Company at a price of Rs. 45/- per fully paid-up Equity Share payable in cash, pursuant to Regulations 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Name(s) of the Acquirer and PAC with the Acquirer	M/s CAC Corporation, Japan There are no Persons Acting in Concert (PACs) for the purpose of this Open Offer.
Name of the Manager to the Offer	Meghraj Capital Advisors Private Limited SEBI Regn. No: INM000001220 Unit No. 201, 2nd Floor, Rajan House, Appasaheb Marathe Marg, Babasaheb Worlikar Chowk, Prabhadevi, Mumbai- 400 025 Tel No. +91-22-67445100 Fax No. +91-22-67445150 Email: harshal@meghrajindia.com Contact Person: Mr. Harshal Kamdar (Mobile: +91-7738067851)
Members of the Committee of Independent Directors (Please indicate the Chairperson of the Committee separately)	Mr. R. Ramaraj (Chairman) Mr. Alok Sharma
IDC Member's relationship with the TC (Director, Equity Shares owned, any other contract / relationship), if any	IDC Members are Non-Executive Independent Directors of the Target Company and do not hold any Equity Shares in the Target Company. None of the IDC Members have any contract / relationship with the Target Company at present.
Trading in the Equity Shares / other Securities of the Target Company by IDC Members	None of the IDC Members have traded in the Equity Shares / other Securities of the Target Company since their appointment.
IDC Member's relationship with the Acquirer (Director, Equity Shares owned, any other contract / relationship), if any	None of the IDC Members have any relationship with the Acquirer.
Trading in the Equity Shares / other Securities of the Acquirer by IDC Members	Nil
Recommendation on the Open Offer, as to whether the Offer is fair and reasonable	IDC Members believe that the Open Offer is fair and reasonable and in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Summary of reasons for recommendation *(IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendations along with written advice of the independent adviser, if any, can be seen by the shareholders)*	In forming the aforesaid opinion/ recommendations, IDC has considered the following: • CAC Corporation is a 46 year old company in Japan. CAC is a professionally managed listed company. CAC is also into similar business and offers range of IT services. AFL will be run as a Joint Venture providing synergy between CAC and the current Promoters. The present Chairman of AFL will continue as Executive Chairman of the company. • AFL's Equity Shares are listed on NSE and BSE. Based on the pricing guidelines of the SEBI (ICDR) Regulations 2009, the minimum applicable price for the Preferential Issue to CAC was Rs. 35.51 per Equity Share. However, the Preferential Issue was made to CAC at a price of Rs. 45/- per Equity Share, which is at a premium of 27% to the minimum preferential price. • CAC has made an Open Offer at a price of Rs. 45/- per share to the public shareholders of AFL, thereby offering the same premium of 27% to them. • Considering the above, we are of the opinion that the Offer Price of Rs. 45/- per Equity Share offered to the public shareholders under the Open Offer is fair and reasonable.
Details of Independent Advisors, if any	NIL
Any other matter to be highlighted	NIL

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by Accel Frontline Limited under the Takeover Code.

for **Accel Frontline Limited**
Sd/-
Mr. R. Ramaraj
Chairman - Committee of Independent Directors

Place : Chennai
Date : January 29, 2014

ACCEL FRONTLINE LIMITED
Regd. Office : #75, Nelson Manickam Road, Chennai - 600 029.
Email : info@accelfrontline.in Website : www.accelfrontline.in