

AFL/Board/SE/001/2015-2016
07th October 2015

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: SEBI order no. WTM/PS/23/CFD/JULY/2015 dated July 22, 2015

This letter is to comply with the SEBI order under reference wherein the Board/ Audit committee was directed to submit a compliance report at the end of every quarter to the stock exchanges detailing the efforts taken by the Company to achieve Minimum Public Shareholding and the extent of such compliance.

In connection with the above, please find an update on the action taken by the Promoter Group to increase the public shareholding of the Company to meet the MPS requirements post the directive from SEBI vide the captioned Order.

In December 2013, CAC Holdings Corporation (formerly CAC Corporation), Japan (**CAC**) acquired majority stake in AFL accompanied with control in the Company and triggered an Open Offer under the SEBI (SAST) Regulations, 2011. Post the completion of the Open Offer, i.e. on March 3, 2014, the Promoter Group of AFL held 2,64,93,951 (89.02%) equity shares of the Company, the break-up of which is as under:

- a. CAC held 1,81,41,175 (60.95%) equity shares of AFL; and,
- b. The erstwhile Promoter Group, comprising of Accel Limited (**AL**), Mr. N. R. Panicker and Accel Systems Group Inc, USA, collectively held 83,52,776 (28.07%) equity shares of AFL.

Therefore, the Promoter Group held an excess of 41,72,547 (14.02%) equity of shares of the Company above the stipulated 75% Promoter Group shareholding. The Promoter Group offloaded 40,84,973 equity shares of the Company by undertaking three Offer For Sale during the stipulated period of 12 months, as detailed below, through the Stock Exchange Mechanism (**OFS**) in accordance with the 'Comprehensive guidelines issued by SEBI on Offer For Sale of Shares by Promoters through the Stock Exchange Mechanism', as amended.

No.	Sellers for OFS	Date of OFS	OFS on Stock Exchanges	Shares Offered	Shares Sold
1	AL and Mr. Panicker	27-Jan-2015	NSE	38,88,497	5,54,343
2	AL and CAC	12-Feb-2015	NSE, BSE	36,18,204	28,34,186
3	AL	27-Feb-2015	NSE, BSE	7,84,018	6,96,444

Hence, the Promoter Group was left with an excess holding of 87,574 equity shares of the Company at the end of the stipulated period of 12 months in contravention of the MPS requirements.



Thereafter, pursuant to the directive from SEBI vide the captioned order, the Promoter Group has undertaken another OFS on August 12, 2015 on BSE to divest the excess holding of 87,574 (0.29%) equity shares of the Company. The details of the OFS are as under:

Sellers for OFS	Shares Offered	Retail category (25% reserved)			Non-Retail category			Shares Sold
		Shares Offered	Bids Received	Shares Sold	Shares Offered	Bids Received	Shares Sold	
AL	87,574	21,894	91,139 (4.16x)	21,894	65,680	1,91,096 (2.91x)	65,680	87,574

The Floor Price disclosed for the OFS was INR 75 (Rupees Seventy five Only) per share.

Subsequent to the OFS as mentioned above, the Company is now compliant with the MPS requirement and the necessary disclosures have been made to the Stock Exchanges (SEs). The revised shareholding pattern of the Company post the OFS has also been filed with the SEs on 17th August 2015.

The promoter group and the Company have written to SEBI on 17th August 2015 updating about the achievement of MPS with a request to revoke the captioned order. A response from SEBI is awaited.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

**On behalf of the Board of Directors of
Accel Frontline Ltd.**


Malcolm F Mehta
Executive Director

