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12th Annual Report 2006-07

The Accel story

It was the year 1991...

When an idea took shape, an ideal took root.

And Accel was born.

A small beginning with a completely different approach to business. Where long term relationships take precedence over short term gains. Where quality, service and value are the key words for success.

Report



junction.com

Vision

To become one of India's most respected IT services companies.

Mission

To offer products and solutions that meet international quality standards backed by full lifecycle support to bring substantial benefit to customers through lower cost of ownership.

Values

Customer care and delight

Pursuit of excellence through quality

Highest level of integrity

Respect for the individual

Optimum value proposition

Accel Frontline Limited

Regd. Office:
No.75, Nelson Manickam Road,
Aminjikarai, Chennai 600029

Proxy

I/We.....of.....
being a Member/Members of the above named Company, hereby appoint.....of
.....or failing him.....of
.....as my/our Proxy to attend and vote for me/us on my/our behalf at the
12th Annual General Meeting of the Company, to be held at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, 168,
T.T.K.Road, Chennai 600014 on 6th September, 2007 at 11.00 AM. and at any adjournment thereof.

*I wish my above Proxy to vote in the manner as indicated in the box below.

S. No.	Resolutions	For	Against
1.	Adoption of Directors' /Auditors' Report and Accounts.		
2.	To confirm the payment of interim dividend as final dividend		
3.	Re-appointment of Dr. Harrison Wang Hong She as Director		
4.	Re-appointment of Mrs. Lakshmi G Menon as Director		
5.	Re-appointment of Mr. R. Sinnakaruppan as Director		
6.	Re-appointment of Auditors for the year 2007-2008		
7.	Re-appointment of Wholtime Director		
8.	Re-appointment of Chairman Cum Managing Director		

Signed this _____ day of _____ 2007.

Folio No/DP ID & Client ID.....

No. of Shares.....

Affix Re.1/-
Revenue
Stamp

Signature

Notes:

- The Proxy, to be effective, should be deposited at the Registered Office of the Company at No.75 Nelson Manickam Road, Aminjikarai, Chennai 600 029 **not later than FORTY EIGHT HOURS** before the commencement of the aforesaid meeting.
- A Proxy need not be a Member of the Company.

*This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



Accel Frontline Limited

Regd. Office:
No.75, Nelson Manickam Road,
Aminjikarai, Chennai 600029

Attendance Slip

Please complete this Attendance Slip before you come to the Meeting and hand it over at the entrance of the Meeting Hall.

1.	Name of the Attending Member	
2.	Registered Folio No./Client ID	
3.	Name of Proxy (in Block Letters) (to be filled if the Proxy attends instead of the Member)	
4.	No. of Share held	

I, hereby record my presence at the 12th Annual General Meeting of the Company to be held at to be held at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, 168, T.T.K.Road, Chennai 600014 on 6th September 2007 at 11.00 Am. and at any adjournment thereof.

Signature of Member

BOARD OF DIRECTORS

N R Panicker
Chairman & Managing Director

Steve Ting Tuan Toon
Director

Lim Chin Hu
Director

K R Chandrasekaran
Director & CFO

Dr. Harrison Wang Hong She
Director

Lakshmi G Menon
Director

Sinnakaruppan R
Director

Suresh K Sharma
Director

COMPANY SECRETARY

R. Neelakantan

STATUTORY AUDITORS

K.S. Aiyar & Co.,
Chartered Accountants
74, II Floor, IV Main Road, CIT Nagar
Nandanam, Chennai - 600 035

INTERNAL AUDITORS

S. K. RAM Associates
Chartered Accountants
Old No. 57-A, New No. 103
P.S. Sivasamy Salai
Mylapore, Chennai - 600 004

SOLICITORS

S.Ramasubramaniam & Associates
6/1, Bishop Wallers Avenue (West)
Mylapore, Chennai 600 004.

REMUNERATION COMMITTEE

Steve Ting Tuan Toon
Sinnakaruppan R
Suresh K Sharma

AUDIT COMMITTEE

Lakshmi G Menon
Dr. Harrison Wang Hong She
Suresh K Sharma
Steve Ting Tuan Toon

SHARE TRANSFER & INVESTORS
GRIEVANCE COMMITTEE

Lakshmi G Menon
Sinnakaruppan R
K R Chandrasekaran

BANKERS

State Bank of India
Citi Bank
ICICI Bank Limited

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bandup West,
Mumbai - 400 078

REGISTERED OFFICE

75, Nelson Manickam Road
Aminjikarai,
Chennai - 600 029.
Tel : +91.44.4225 2000
Fax : +91.44.2374 1271
Email : info@accelfrontline.in
Website : www.accelfrontline.in

Forward looking statement

In this annual report, we have mentioned certain forward looking information to enable investors to comprehend our business model and future prospects and make informed investment decisions. This annual report and other communications from us, oral or written, may include certain forward looking statements that set out certain anticipated results based on managements assumptions and plans. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realised. We undertake no obligation to update forward looking statements. The achievement of results is subject to various risks, known and unknown. We request readers to bear this in mind while reading this report.



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Chairman's Message

Dear Share holders,

I would like to thank each one of you for the support extended to our initial public offer last October. It reinforced our belief that even in volatile market conditions, consistency and steadfast adherence to set business guidelines would always have the support of the informed investor.

Last year has been more significant to all of us for another reason too. We have seen our services revenues overtaking the IT infrastructure solutions business. This has long term significance to our business model and positive influence on our profits in the coming years.

Another milestone was our acquisition of the banking services business of Telesis Global Solutions Ltd. This acquisition has brought in strong domain expertise and annuity revenues and has already started showing in our performance. We were successful in seamlessly integrating this with our existing banking and financial services practice.

While the market has a few challenges, with so much more opportunities opening up in the IT services arena, we are geared up to expand our business to become an IT Outsourcing company in the future.

In line with our vision to become a leading services company, we have captioned our logo with 'Global IT Services' as a reinforcement of our core business.

Our association with Frontline Technologies Corporation Ltd, Singapore, has synergized very effectively and we are truly proud to be part of one of the most stable pan-Asian IT conglomerates.

Thanking you for your support and looking forward to your continued patronage.

Yours Sincerely

N.R.PANICKER

Notice

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of Accel Frontline Limited will be held on Thursday, the 6th September 2007 at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, 168, T.T.K.Road, Chennai 600 014 at 11 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet of the company as at 31st March 2007 and the profit & loss account for the financial year ended on that date and the reports of the Directors and Auditors thereon.
2. To note the Board's recommendation that no final dividend be paid for the financial year 2006-07 in view of the payment of Interim Dividend of 15% as of the Record Date, 6th June 2007.
3. To appoint a director in place of Dr. Harrison Wang Hong She, who retires by rotation and is eligible for reappointment.
4. To appoint a director in place of Mrs. Lakshmi G Menon who retires by rotation and is eligible for reappointment.
5. To appoint a director in place of Mr. R. Sinnakaruppan who retires by rotation and is eligible for reappointment.
6. To appoint Auditors to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration. M/s K.S. Aiyar & Co, Chartered Accountants, Chennai the retiring auditors are eligible for re-appointment.

To consider and if thought fit, to pass, with or without modifications, the following as an Ordinary Resolution:

RESOLVED THAT Messrs K.S. AIYAR & Co, Chartered Accountants, Chennai be and are hereby appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as decided by the Board of Directors/ Audit Committee of the Board of Directors.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and subject to limits prescribed under the Act, and also subject to such approvals as may be necessary, the company hereby approves the appointment of Mr. K R Chandrasekaran as Whole time Director for a period of 3 years effective from 28th April 2007 upon terms and conditions as set out in the agreement to be entered into between the company and Mr. K R Chandrasekaran which agreement is hereby specifically approved with liberty to the Board / Remuneration Committee to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board/ Remuneration Committee and Mr. K.R. Chandrasekaran but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any, of the Act or any amendments thereto or any re-enactments thereof.

8. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Sections 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the re-appointment and remuneration of Mr. N.R. Panicker as Managing Director of the company for a period of 5 years from 1st November 2007 on the terms and conditions as contained in the Agreement to be entered into between the company and Mr. N R Panicker, a draft of which is placed before the meeting and for the purpose of identification, initialed by Mr. K.R. Chandrasekaran Director, with liberty to the Board / Remuneration Committee to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board/ Remuneration Committee and Mr. N R Panicker but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any, of the Act or any amendments thereto or any re-enactments thereof.

NOTES:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing a proxy should however be deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

Revenue stamp should be affixed on the proxy form. Forms, which are not stamped, are liable to be considered as invalid. Further for the purposes of identification, it is advised to affix the signature of the proxy also in the proxy form.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business to be transacted at the AGM is annexed hereto under items 7 and 8 set out above.
3. Corporate members are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the AGM.
4. Members/ proxies are requested to bring the attendance slips duly filled in and signed for attending the meeting.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the meeting. Members are requested to bring their attendance slip along with their copy of the annual report to the meeting.
7. Members who wish to obtain any information on the company or the accounts may send their queries at least 10 days before the date of the Meeting to the company at No.75, Nelson Manickam Road, Aminjikarai, Chennai 600029, or e-mail at neel@accelfrontline.in, addressed to the Company Secretary.
8. Members having shares registered in the same name or in the same order of names but in several folios may please write to the RTA so that the folios can be consolidated. A copy of the letter may please be marked to the company secretary.
9. Members holding shares in physical form, who are desirous of making nomination as permitted under section 109A of the Companies Act, 1956 in respect of the shares held by them in the Company, may write to the RTA for the prescribed form.
10. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 AM and 1.00 PM up to the date of AGM.
11. The Company has notified closure of the Register of Members and the Share Transfer Books from 4th September 2007 to 6th September 2007 (both days inclusive).
12. Your company had declared an interim dividend of 15% to all the members whose name appear in the Register of Members on June 6, 2007 and the same has been despatched to the respective shareholders by ECS credit and Under Certificate of Posting. Members who have not received the same are requested to write to the company giving necessary details.
13. Brief notes on the background and the functional expertise of the Directors proposed for the re-appointment are furnished below.

i) Dr. Harrison Wang Hong She

Dr. Harrison Wang Hong She, 49 years, has over 16 years of experience in industrial automation and venture capital investments in the Silicon Valley. He graduated as a Bachelor of Science in Mechanical Engineering from National Taiwan University. He completed his Master of Science degree in Mechanical Engineering and PhD in Robotics and Industrial Automation from Stanford University. Previously, he was the Managing Director with GE Capital, responsible for its business development in Asia. He was the Managing Director for Deutsche Bank and CEO of the e-millennium Asia Fund set up by the Bank. He is currently the Managing Partner with Pine Tree Equity, a private equity fund set up by AIG in 2004 for investments in Asia

ii) Mrs.Lakshmi G Menon

Mrs. Lakshmi G Menon, 64 years, graduated in electronics engineering in 1964 from the Madras Institute of Technology. She has been the Chairman and Managing Director of ITI Limited (ITI), telecom equipment manufacturer, since 2000. Prior to joining ITI, she was the Chairman and Managing Director of Hindustan Teleprinters Limited (HTL), a technology company. She has previously worked with Videsh Sanchar Nigam Limited (VSNL) for about 20 years, and rose to the position of Chief General Manager. She is in receipt of several awards including the Individual Excellence Award for Management, and Vasvik Research Award for outstanding contributions in the field of telecommunications in VSNL and HTL and the Management Excellence award for ITI.

iii) Mr.R.Sinnakaruppan.

Mr. R. Sinnakaruppan, 48 years, graduated with a Bachelor's Degree in Mechanical and Production Engineering from Nanyang Technological University, Singapore in 1985. He began his career as a Research and Development Engineer (Automation) at National Semiconductor Pte Limited (an American Company in IC manufacturing) in 1985. He received a Foreign and Commonwealth Scholarship to pursue a Master's programme in Flexible Manufacturing systems and Robotics, at Loughborough University of Technology in 1987. In 1988, he was promoted and seconded to the Singapore Economic Development Board as the Manager, Local Industry Upgrading Programme. In April 1997, he was appointed as an Assistant Secretary-General of National Trade Union Congress (NTUC) and worked for the public sector unions.

By order of the Board

Registered Office
 75, Nelson Manickam Road
 Chennai 600 029

R.Neelakantan
 Company Secretary

26th July 2007

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item 7

The shareholders at their meeting held on September 30, 2004 approved the appointment and Mr.K.R.Chandrasekaran, Wholetime Director to hold office for a period of three years from 28th April 2004. In recognition of his contribution to the company, the Board of Directors at their meeting held on April 26, 2007 has reappointed Mr.K.R.Chandrasekaran as whole time Director for a further period of three years from 28th April 2007, subject to the approval of the shareholders on the following terms & conditions:

(A). Remuneration:

I. Salary

Basic salary:	Rs.100,000
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Special allowance:	Rs. 16,000
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The Remuneration committee/ board will determine the amount of basic salary payable from time to time within the contracted period.

II. Commission: Such remuneration by way of commission in addition to salary, allowances and perquisites calculated with reference to the net profits of the company in a particular financial year as may be determined by the Board at the end of each financial year based on the recommendations of the Remuneration Committee subject to overall ceilings stipulated in Sections 198, 309 and 310 of the Companies Act, 1956. The Board/Remuneration Committee will determine the specific amount payable to the whole time Director.

(B) Other Benefits.

a) Housing: Unfurnished accommodation or house rent allowance subject to a maximum of 50% of the salary.