



Press Release

February 9, 2016

Company Name: CAC Holdings Corporation
Representative: Akihiko Sako, President and CEO
(First Section of TSE, Code Number 4725)
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Corporate Dept.
(Tel: +81-3-6667-8010)

**Notice on Announcement Related to Operating Results
Made by Overseas Consolidated Subsidiary**

CAC Holdings Corporation (hereafter referred to as the “Company”) today announced that Accel Frontline Limited (Head office in Chennai City, the Republic of India; listed on the Bombay Stock Exchange and the National Stock Exchange of India; hereafter referred to as “AFL”), the Company’s overseas consolidated subsidiary, made an announcement related to its operating results on February 9, 2016 (Indian time) as provided in the Attachment. Details are as follows.

The Company is currently investigating the facts of the situation of this matter and its impact on the Company’s operating results.

1. Details of the announcement made by AFL

The details of the announcement made by AFL on February 9, 2016 (Indian time) are broadly as follows. Because the details below are a translation of the summary that the Company prepared in Japanese based on the Japanese translation of the announcement that AFL made in English (Attachment), please note that the original text in English has precedence.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, we hereby disclose the following.

a) AFL has been investigating its accounts receivable for three years, from the fiscal year ended March 2013 to the fiscal year ended March 2015, with Deloitte Touche

Tohatsu India LLP acting as an independent auditor. The independent auditor recently reported in its interim report that there are accounts receivable of between 300 million rupees and 400 million rupees that may not be adequately substantiated and that the allowance for doubtful debts for such accounts receivable may not have been appropriately provided.

b) AFL will promptly disclose further details when it receives the final report from the independent auditor.

2. Responses to be made in the future

While investigations into AFL's accounts receivable are currently being carried out by the independent auditor, the Company will also examine, analyze and understand the facts of the situation. The Company will promptly announce the results of the investigations and their impact on its consolidated results, including the results for the fiscal year ended December 2015, as soon as these details become available to the Company.

3. Profile of AFL (as of the end of December 2015)

Name	Accel Frontline Limited
Address	Chennai City, the Republic of India
Titles and names of representatives	Executive Chairman N R Panicker Executive Director Malcolm F Mehta
Line of business	IT infrastructure services, software services and product guarantee services
Capital	297 million rupees
Establishment:	1991

End

AFL/SN/SE/041/2015-2016
February 9, 2016

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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Accel Frontline Limited ('the Company') in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is hereby disclosing the following particulars:

- (a) The Independent auditor- Deloitte Touche Tohmatsu India LLP who had been suo-motu appointed by the Company to examine the quality of bills receivable of the Company for the 3 year period ended March, 2015 has in their preliminary interim finding (*which is tentative, inconclusive, and, subject to further verification and confirmation*) informed the Company that based on the current preliminary investigation till date (*which is not conclusive*), there appears to be at this stage, bills receivable which may not be adequately substantiated, and other items to the tune of Rs. 30 to 40 crores (Rupees thirty to forty crores), which may not have been adequately provided for in the books of the Company.
- (b) The Company will update the exchange with further details immediately on the final report of the independent auditor being made available to the Company.

This is for your information and records.

Thanking you

Yours faithfully,
For Accel Frontline Limited



Malcolm F Mehta
Executive Director