

SEBI Regn. No. INM000011658

November 4, 2016

**The Board of Directors
Saven Technologies Limited
No.302, My Home Sarovar Plaza,
5-9-22, Secretariat Road,
Hyderabad - 500 063**

Dear Sirs,

Sub: Proposed reduction in the nominal value of fully paid up equity share of Rs.10/- each under Sections 100 to 104 of the Companies Act, 1956 (or Section 66 of the Companies Act, 2013, to be applicable in due course)(“Proposed Transaction”)

We, akasam consulting private limited, sebi registered merchant banker, refer to our letter dated October 19, 2016 which has been duly accepted by you, whereby you have appointed us as an independent Merchant Banker for furnishing a “Fairness Opinion” on the proposed Scheme of Reduction of Capital of M/s. Saven Technologies Limited to be submitted to the Stock Exchanges as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 on the Scheme of Reduction.

We have been informed by Saven Technologies Limited (“the Company”) that they propose for capital reduction of paid up equity share capital of the Company by 90% on a proportionate basis (i.e. reduction of nominal value of the equity share of the Company from Rs.10/- to Re.1/-) and that 90% of the portion of the paid up share capital would be repaid to all the shareholders of the Company pursuant to such reduction and on obtaining interalia, the approval of the stock exchanges, Hon’ble High Court of Andhra Pradesh and Telangana and any other regulatory/statutory authorities under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013/Companies Act, 1956.

RATIONALE OF THE SCHEME

1. The Company, in the month of May, 2014, disinvested its entire holdings in its subsidiary, Saven Technologies Inc, US, for a consideration of Rs.4,85,08,638/- (Rupees Four Crores Eighty Five Lakhs Eight Thousand Six Hundred and Thirty Eight only). The Company also received a total Dividend of Rs.4,57,32,031/- (Rupees Four Crores Fifty Seven Lakhs Thirty Two Thousand and Thirty One only) from its subsidiary. After the sale of the Investments and receipt of above referred dividend the Company is having surplus funds which are not being utilised for the business of the Company.
2. The Board of Directors at their meeting held on 18.10.2016 were of the opinion that the Company has paid-up share capital which is in excess of its requirements of funds as the Company has surplus funds which is in excess of the needs of the Company.

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3. After evaluating various options, the Board of Directors at their meeting held on 18.10.2016 had decided to remit back the excess share capital by reducing the paid up share capital of the Company. In this regard the Board has decided to reduce the 90% of paid-up share capital of the Company by cancelling and extinguishing 90% of the paid-up value of the shares by returning Rs. 9/- per share to the shareholders. Furthermore, the reduction of capital would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its obligations in the ordinary course of business.
4. The benefits arising out of the Scheme of Reduction of Capital will enable the Company to return the excess capital lying idle and unused by the Company to the Shareholders in proportion of their shareholding.

SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information:

- a. Scheme of Capital Reduction under Sec 100 to 104 of the Companies Act, 1956
- b. Annual Reports of the Company for the Financial Year 2013-14, 2014-15 and 2015-16
- c. Certificate dated November 4, 2016 issued by the Statutory Auditors of the Company, viz., M/s. Rambabu & Co., Chartered Accountants.
- d. Certificate dated November 4, 2016 issued by an Independent Chartered Accountant, viz., M/s. Suryanarayana & Suresh, Chartered Accountants.
- e. Such other information and explanation as we required and which have been provided by the management of the Company.

EXCLUSIONS AND LIMITATIONS

- Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the financials and other information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act in connection with the Scheme of Amalgamation or any matter related therein.
- Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to the amount of fee received for rendering this Opinion as per our engagement with Saven Technologies Limited.
- Our opinion should not be construed as our opining or certifying the compliance of the proposed capital reduction with the provisions of any law including the Companies Act,



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Income Tax Act, and capital market related laws or as regards any legal implications or issues arising thereon.

- We assume no responsibility for updating or revising our opinion based on the circumstances or events occurring after the date hereof.
- We express no view as to, our opinion does not address, the underlying business decision of Saven Technologies Limited to effect the proposed transaction or the merits of the proposed transaction. Our opinion does not constitute a recommendation to any shareholder of Saven Technologies Limited as to how shareholder should vote on the proposed transaction or any other matter related thereto.
- We do not express any opinion as to the price at which shares of Saven Technologies Limited may trade at any time, including subsequent to the date of opinion.
- The certificate has been provided solely for the benefit of the audit committee members and the Board of Directors of Saven Technologies Limited and shall not confer rights or remedies upon any shareholder of Saven Technologies Limited or any other person other than the members of the audit committee and the Board of Directors of Saven Technologies Limited or be used for any other purpose. However, this opinion may only be disclosed as may be required under any applicable laws in India but we take no responsibility or liability for or arising out of any such disclosures. We specifically disclaim any responsibility to any third part to whom this letter may be shown or who may acquire a copy of this letter.
- The laws of India govern all matters arising out of or relating to this Opinion (including without limitation, its interpretation, construction, performance and enforcement).
- With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction at India shall have exclusive jurisdiction.

It may further be noted that in no circumstances shall the liability of akasam consulting private limited , its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to us as our fee for this opinion.

CONCLUSION

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed capital reduction of nominal value of Rs.10/- per equity share to Re.1/- per equity share and by returning an amount of Rs.9/- per share is fair.

For akasam consulting private limited



Srinivas M.R.S.
Director

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