

**SCHEME OF REDUCTION OF CAPITAL
 BETWEEN
 SAVEN TECHNOLOGIES LIMITED
 AND
 ITS SHAREHOLDERS AND CREDITORS
 UNDER SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956/ SECTION 66 OF
 THE COMPANIES ACT, 2013**

(A) PREAMBLE OF THE SCHEME

This Scheme of Reduction of Capital is made pursuant to the provisions of Sections 100 to 104 of the Companies Act, 1956/Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013 and provides for Re-organisation and reduction of Equity Capital of "Saven Technologies Limited".

(B) DESCRIPTION OF THE COMPANY

"Saven Technologies Limited" (CIN: L72200TG1993PLC015737) was originally incorporated under the name and style of Pennar Infotech Limited on 10.05.1993 in the State of Andhra Pradesh, Hyderabad vide Certificate of Incorporation Number 01-15737 of 1993-94. Further the name of the Company was changed from Pennar Infotech Limited to Saven Technologies Limited, and consequent upon change of name, the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies, Andhra Pradesh on 04.02.2000 after complying with the relevant provisions under the Companies Act, 1956.

'Saven Technologies Limited' is a listed Company having its shares listed and traded on BSE Limited (formerly known as 'Bombay Stock Exchange Ltd').

The Registered Office of the Company is situated at No. 302, My Home Sarovar Plaza, 5-9-22, Secretariat Road, Hyderabad – 500063, Telangana.

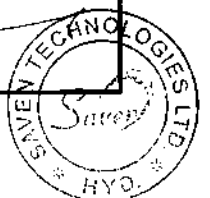
Main Objects:

The present objects of the Company presently enable it:

1. To render consultancy and services in the fields of Information Technology, Computer Sciences, Data Processing, Computer Systems and Software, Operations Research and

For Saven Technologies Limited

Murthy Gudipati
 Murthy Gudipati
 Executive Director



Management Sciences, in India and Abroad, and to act as dealers, distributors, authorised representatives for such services in India and Abroad.

2. To carry on the business of design, development, manufacture and trade of all types of Computer Software, which include CAD/CAM, Data Communications, Office Automation, Artificial Intelligence, Simulation, Modelling, Bio Medical Computing, Image Processing, Software Engineering, Operating Systems ,Computer Graphics including multimedia, Business Information processing, Computer Science Education, Computers in Education and all other fields related to computers.
3. To carry on the business of research, design, development, manufacture and trade of Computer Hardware and peripheral equipment like printers, tape drives, disk drives, floppy disk drives, CRT's, Modems, all kinds of Communication equipment, and any other electrical and electronic items.
4. To manufacture, buy, sell, export, import, deal in, assemble, fit, repair, maintain, convert, overhaul, alter, and improve all types of Computers and electronic and test equipment, all sorts of Computer Peripherals, Devices, Data Communication Equipment, Broadcast, Telecast, Relay and Reception Equipment, and other equipment used in Audio and Visual communications, Satellite communications, Satellite Earth Stations etc.
5. To carry on the business of Education and Training, and to conduct Seminars, Work-shops, Short Term and Long Term Courses in Computer Sciences, Information Technology, Engineering Sciences, Management Sciences and Social Sciences and to promote educational institutions to impart such training in India and abroad.

The Share Capital of the Company as on 31.03.2016 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
1,60,00,000 Equity Shares of Rs. 10/- each	16,00,00,000
Total	16,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
1,08,78,748 Equity Shares of Rs. 10/- each	10,87,87,480
Total	10,87,87,480

For Saven Technologies Limited

Murty Gudipati
Murty Gudipati
Executive Director



Subsequent to 31.03.2016 (Thirty First day of March, Two Thousand Sixteen) and up to the date of approval of the Scheme by the Board of the Company, there has been no change in the authorized, issued, subscribed and paid up capital of the Company.

(C) RATIONALE AND PURPOSE 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.
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 the proportion of their shareholding.

(D) PARTS OF THE SCHEME:

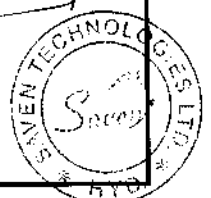
PART A: Deals with Definitions.

PART B: Deals with Reduction of Capital.

PART C: Deals with General Clauses, Terms and Conditions.

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Executive Director



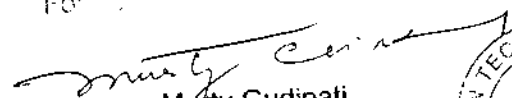
PART - A
DEFINITIONS

1. DEFINITIONS

In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- 1.1 "Act" or "the Act"** means the Companies Act, 1956, or as the case may be, the Companies Act, 2013 (to the extent applicable) and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.
- 1.2 "Board of Directors" or "Board"** in relation to Saven Technologies Limited shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.3 "Company"** shall mean **Saven Technologies Limited**, a Company incorporated under the provisions of the Companies Act, 1956, having its shares listed and traded on the BSE Limited and having its registered office at No. 302, My Home Sarovar Plaza, 5-9-22, Secretariat Road, Hyderabad – 500063, Telangana.
- 1.4 "Court" or "High Court"** means the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh or the National Company Law Tribunal (NCLT) or such other tribunal or authority having jurisdictions to sanction the Scheme.
- 1.5 "Effective Date"** means the date on which the certified copy of the order passed by the Hon'ble High Court sanctioning the Reduction of Capital is filed with the Registrar of Companies at Hyderabad for Telangana and Andhra Pradesh. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 1.6 "Scheme of Reduction of Capital" or "Scheme" or "The Scheme" or "This Scheme"** means this Scheme of Reduction of Capital in its present form or with any modification(s) approved, imposed, or directed by the Court or such other appropriate authority.
- 1.7 "Shareholders"** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of Company. The word

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“Shareholder” and “member” are used to denote the same meaning and are used interchangeably.

1.8 “Shares” means the equity shares of Rs.10/- each of the Company unless otherwise specified in the context thereof.

1.9 “Stock Exchange” means the BSE Limited on which the equity shares of the Company are listed and traded. The Designated Stock Exchange shall be BSE Limited.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

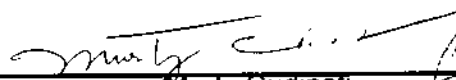
PART - B
REDUCTION OF CAPITAL

2. REDUCTION OF CAPITAL OF THE COMPANY

2.1 Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions etc, the subscribed, issued and paid-up capital of the Company shall stand reduced from Rs. 10,87,87,480/- (Rupees Ten Crores Eighty Seven Lakhs Eighty Seven Thousand Four Hundred and Eighty only) divided into 1,08,78,748 (One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs.1,08,78,748 (Rupees One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight only) divided into 1,08,78,748 (One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight) Equity shares of Rs. 1/- (Rupee One only) each. The aforesaid reduction of paid-up share capital shall be effected by returning to the shareholders an amount of Rs. 9/- (Rupees Nine only) per equity share of Rs. 10/- (Rupees Ten only) each held by them.

Ex: A person who is holding One (1) Equity Shares of Rs. 10/- each aggregating to Rs. 10/- (Rupees Ten only) shall hold after reduction One (1) Equity Share of Rs. 1/- (Rupee One only) each aggregating to Rs. 1/- (Rupee One only).

2.2 The reduction of paid up equity share capital of Company as aforesaid would not involve diminution of liability in respect of unpaid share capital but payment of paid-up equity share

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Executive Director



capital to the shareholders of Company. No prejudice will be caused to shareholders and/or creditors of Company by the aforesaid reduction. The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to any person or entity. The Scheme also does not involve any conveyance or transfer of any property of the Company and consequently the order of the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh/National Company Law Tribunal, Hyderabad approving the Scheme will not attract any stamp duty, under the Stamp Act, in this regard.

3. COMPLIANCE

The consent of the members of the Company to this Scheme shall be taken through a Special Resolution under the provisions of Section 100 to 104 of the Companies Act, 1956/ Section 66 of the Companies Act, 2013.

The Scheme, if sanctioned, shall be fully in compliance of the Securities and Exchange Board of India Act ("SEBI") Act, and the rules and regulations made and the circulars issued thereunder.

4. EFFECT OF THE SCHEME

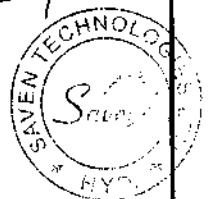
4.1 The books of Accounts of the Company, on the effective date, in the following manner:

Particulars	Prior to the Scheme of Reduction of Capital as on 31.03.2016	Proposed Reduction	After reduction
Number of Equity Shares	1,08,78,748	NA*	1,08,78,748
Face Value of Equity Share	10.00	9.00	1.00
Total Paid-up Capital	10,87,87,480	9,79,08,732	1,08,78,748

*The proposed reduction involve reduction of face value of shares from Rs. 10/- to Rs. 1/-, and hence there is no reduction in number of shares.

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Mufty Gudipati
Executive Director



4.2 The Pre and Post Reduction Shareholding pattern

4.3 Pattern of the Company will be as follows:

Particulars	Prior to the Scheme		After the implementation of the Scheme	
	No. of Shares (Rs. 10/- each)	% to total	No. of Shares (Rs. 1/- each)	% to total
Promoter's & Group	4620244	42.47	4620244	42.47
Institutions/ Mutual Funds etc	-	-	-	-
Public holding	6258504	57.53	6258504	57.53
Total	10878748	100.00	10878748	100.00

PART - C

GENERAL CLAUSES, TERMS AND CONDITIONS

5. IMPACT OF THE SCHEME ON EMPLOYEES/ WORKERS

The Scheme of Reduction of Capital would not affect the employees of the Company in any manner and they would continue to enjoy the same benefits as they used to before the Reduction of Capital.

6. IMPACT OF THE SCHEME ON CREDITORS

The Company does not have any secured Creditors. 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 liabilities in the ordinary course of business

7. LEGAL PROCEEDINGS

The Scheme would not affect any legal or other proceedings by or against the Company.

8. CONDITIONS PRECEDENT

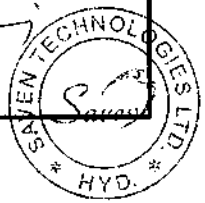
This Scheme is and shall be conditional upon and subject to:

8.1 The Company obtaining the Observation Letter from the Designated Stock Exchange for the implementation of the Scheme.

8.2 A special resolution approving the reduction is passed by the Shareholders.

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Executive Director



- 8.3** The Scheme being approved by the High Court/National Company Law Tribunal under Sections 100 to 104 of the Companies Act, 1956 or Section 66 of the Companies Act, 2013.
- 8.4** The certified copy of the order of the High Court/Tribunal sanctioning this Scheme being filed with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad.
- 8.5** All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

9. APPLICATION TO THE HON'BLE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

Approvals of the shareholders by way of special resolution and of the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh/National Company Law Tribunal, Hyderabad or such other court/authority as may be required by way of making a petition, pursuant to this Scheme under Section 100 to 104 of the Companies Act, 1956/Section 66 of the Companies Act, 2013, are being sought as a measure of legal compliance, transparency and prudence.

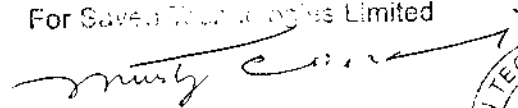
10. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Company by its Board of Directors or such other person or persons, as the Board of Directors of the Company may authorize, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Hon'ble High Court or any other appropriate authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme. The Board of Directors of the Company shall take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and /or any matter concerned or connected therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the High Court.

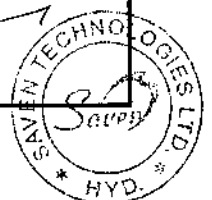
11. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and/or approvals referred to in Clause 8 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being sanctioned by the Hon'ble High Court/National Company Law Tribunal or such other

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Executive Director



competent authority as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

12. SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Board that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme. The Board of Directors of Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board of Directors is of view that the coming into effect of the Scheme could have adverse implications on Company.

13. COSTS, CHARGES AND EXPENSES

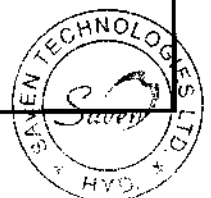
All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Company.

14. CANCELLATION OF SHARES

Upon this Scheme becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the

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Executive Director



members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

15. ACCOUNTING TREATMENT

The company will comply with all relevant Accounting Policies and Accounting Standards as regards to accounting for the reduction of capital in accordance with the applicable Accounting Standards.

The Company Scheme of Reduction of Capital, pursuant to the refund to the equity shareholders @ Rs.9 per share, will result in 1,08,78,748 equity shares of Rs.10 each fully paid to 1,08,78,748 equity shares of Rs.1 each fully paid.

Amounts distributed by the company on capital reduction to the extent of its accumulated revenue profits will be considered as deemed dividend u/s 2(22) (d) of the Income Tax Act, 1961. Hence the company will have to pay Dividend Distribution Tax (DDT) on the accumulated revenue profits. The same shall be paid out of revenue profits and reserves.

The Company will make and pass appropriate entries for all notional adjustments in a prudent and commercially accepted manner.

16. MISCELLANEOUS

16.1 Notwithstanding the reduction of capital of the Company, the listing benefit of the Company on all the Stock Exchange where the existing Equity Shares of the Company are listed shall continue.

16.2 Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

16.3 The Form of minute proposed to be registered under section 103(1)(b) of the Companies Act, 1956, is as follows:

The Paid-up capital of Saven Technologies Limited henceforth is Rs. 1,08,78,748/- (Rupees One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight Only) divided into 1,08,78,748 (One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight)

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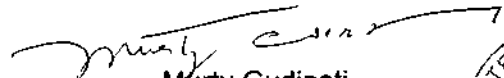


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Executive Director



Equity Shares of Rs. 1/- (Rupee One Only) each fully paid up reduced from Rs. 10,87,87,480/- (Rupees Ten Crores Eighty Seven Lakhs Eighty Seven Thousand Four Hundred and Eighty Only) divided into 1,08,78,748 (One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight) Equity Shares of Rs.10/- (Rupees Ten Only) each. At the date of Registration of this Minute 1,08,78,748 (One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight) Equity Shares of Rs. 1/- (Rupee One Only) each have been issued and are deemed to be fully paid up and remaining 14,91,21,252 (Fourteen Crores Ninety One Lakhs Twenty One Thousand Two Hundred and Fifty Two) Equity Shares of Rs. 1/- (Rupee One only) each are unissued.

For Saven Technologies Limited


Murty Gudipati
Executive Director
04/11/2016

