

**FORTRESS**

STRICTLY PRIVATE &amp; CONFIDENTIAL

January 22, 2013

The Board of Directors  
 Axis IT&T Limited  
 D - 30, Sector - 3,  
 Noida - 201 301,  
 Uttar Pradesh.

The Board of Directors  
 Cades Digitech Private Limited  
 Kirloskar Business Park, Block 'C',  
 2nd Floor, Hebbal ,  
 Bangalore - 560 024.

**Sub: Fairness Opinion on the valuation carried out by M/s. SSPA & Co., Chartered Accountants for the purpose of proposed amalgamation of Cades Digitech Private Limited into Axis IT & T Limited.**

Dear Sirs,

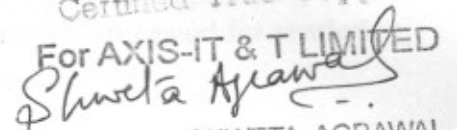
This has reference to the request made by the management of Axis IT & T Limited in connection with fairness opinion on the valuation exercise for proposed amalgamation of **Cades Digitech Private Limited** (hereinafter referred to as "**Cades**") into **Axis IT & T Limited** (hereinafter referred to as "**Axis**") (hereinafter collectively referred to as "**the Companies**"), undertaken by **M/s. SSPA & Co.** (hereinafter referred to as "**Valuer**") to recommend exchange ratio of shares for the proposed amalgamation of Cades Digitech Pvt Ltd. with Axis IT & T Ltd.

#### 1. PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

- 1.1 We have been informed that the Board of Directors of the Companies is considering a proposal for amalgamation of Cades into Axis.
- 1.2 In this regard, M/s. SSPA & Co. has been appointed by Companies to carry out the relative valuation with a view to recommend exchange ratio of shares in the event of amalgamation of Cades into Axis.
- 1.3 The information contained in our Report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

Certified True Copy

For AXIS-IT &amp; T LIMITED



SHWETA AGRAWAL  
 Company Secretary

FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

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**2. SOURCES OF INFORMATION**

For the purposes of fairness opinion, we have relied upon the following sources of information:

- (a) Draft Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 with regards to the proposed amalgamation.
- (b) Valuation Report dated January 22, 2013, issued by M/s. SSPA & Co.
- (c) Audited financial statements of Axis for the financial year ended March 31, 2012.
- (d) Management certified consolidated financial statements of Axis (excluding Cades) for the financial year ended March 31, 2012.
- (e) Management certified consolidated financial statements of Cades for the financial year ended March 31, 2012.
- (f) Projected Consolidated Profitability Statement, Balance Sheet & Cash Flow Statement of Axis (excluding Cades) and Cades as provided by the Management.
- (g) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.
- (h) Such other information and explanations as we have required and which have been provided by the management of the companies and M/s. SSPA & Co.

**3. EXCLUSIONS AND LIMITATIONS**

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical and projected financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets and liabilities of the companies.
- 3.3 Our work does not constitute verification of historical or projected 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.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per out engagement with Axis.



- 3.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this opinion.

#### 4. VALUATION METHODOLOGY ADOPTED BY THE VALUERS

For the purposes of valuation, the Valuer has adopted the Net Assets Method under "Underlying Assets" Approach and Discounted Cashflow Method under "Income Approach" for determining the fair value per share of Axis & Cades and arrived at the exchange ratio of shares for proposed amalgamation of Cades into Axis.

#### 5. CONCLUSION

- 5.1 We have reviewed the methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of both the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending exchange ratio for Shares.
- 5.2 On the basis of the foregoing, in our opinion, the exchange ratio of 10 (Ten) equity shares of Axis of Rs. 5/- each fully paid up for every 12 (Twelve) equity shares of Cades of Rs. 10 each fully paid up, recommended by the Valuer is fair.

Thanking you,

Yours faithfully,  
For Fortress Capital Management Services Pvt. Ltd.

*Hitem. m. soku*  
Authorised Signatory

Place: Mumbai

SEBI Registration No.: INM000011146

