

STELLANT SECURITIES (INDIA) LIMITED

(formerly known as SELLAIDS PUBLICATIONS (INDIA) LIMITED)

CIN No.: L67190MH1991PLC064425

Regd.Off.: Kamer Bldg., 31,
5th Floor, Cawasji Patel Street,
Above Akbarally Furniture, Fort,
Mumbai - 400 001.
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REPORT OF THE AUDIT COMMITTEE ON SCHEME OF REDUCTION OF CAPITAL

16/10/2014

To
The Board of Directors
STELLANT SECURITIES (INDIA) LIMITED

Sir,

Subject: Report on Draft Scheme of Reduction of Capital.

The Audit Committee, at its meeting held on 16th October, 2014, has considered the Draft Scheme of Reduction under Sections 100-103 of the Companies Act, 1956 (the "Act") proposed between the Company and its Shareholders and Creditors (the "Scheme") involving Reduction of capital of the Company and Splitting of Number of share from 10 shares held by person to 2 shares each having face value of Rs. 10/- per share.

The following are the observation mace by the members of the committee after due deliberations on the Scheme.

As per the Audited Financial results of the Company as on 31/03/2014 the accumulated losses and share capital unrepresented by the available assets of the Company are 30,471,117 as against the Paid-up equity share capital of Rs. 37,024,010/-. Mere infusion of further funds into the Company will not benefit and existing share Holder even if the Company registers profits in coming year since no dividend can be paid out of profits unless accumulated losses are wiped out. Under the Scheme the accumulated losses are reduced to the extent of reduction of capital. If the Scheme is approved by the BSE, Hon'ble High Court, SEBI and such other authorities as may be applicable, the Company will represent true financial position which would benefit both the Company, Institution in general, and share holders in particular as their holding will yield better result and value.

Reducing the Number of Shares held by one person from 10 to 2 each will improve the liquidity of shares for trading purpose. And also it improves the earning per share as envisaged below:

Sr. No	Particulars	Pre-Scheme	Post Scheme
1	No. of Shares	37,02,401	740,480
2	Par Value	Rs. 10/-	Rs. 10/-



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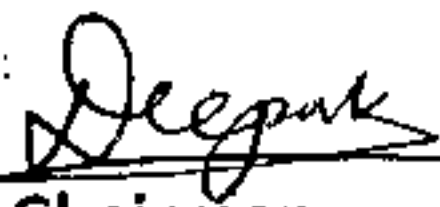
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3	No. of Shares equivalent value of Rs. 10/-	37,02,401	740,480
4	Net worth	15,218,711	13,466,709
5	Book Value per Share	Rs. 3.92	---

Since the shareholders funds of the Company comprising share capital is no longer be fully represented by assets of the Company and to reflect the true position and picture of the same, as an integral part of the Scheme, the issued, subscribed and paid-up capital of the Company shall stand reduced by a amount of Rs. 29,619,210/- thereby paid up capital will stand at Rs.7, 404,800/- comprising of 7,40,4800 equity shares of Rs. 10/- each, without any further act or deed. The reduction shall be affected by reducing the paid up equity share capital of the Company on a proportionate basis from each equity share so held by share holder will be reduced and shall be split into 7,40,480 equity shares of Rs. 10/- each.

Hence, considering the above, the committee recommends the scheme to the Board for its approval and necessary action.

By and on behalf of the Audit Committee



Chairman

Audit Committee

