

# STELLANT CAPITAL ADVISORY SERVICES PVT. LTD.

Regd. Off. : Merchant Chamber,  
Basement, Opp. Patkar Hall,  
New Marine Lines, Church gate,  
Mumbai - 400 020.  
Tel. 22061606. Fax : 22065061  
Website : [www.stellantcapital.com](http://www.stellantcapital.com)  
E-mail : [mbd@stellantcapital.com](mailto:mbd@stellantcapital.com)

Date: 22/11/2014

The Board of Directors  
STELLANT SECURITIES (INDIA) LIMITED  
31, KAMER, 5TH FLOOR, CAWASJI PATEL STREET,  
ABOVE AKBARALLY FURNITURE, FORT,  
MUMBAI - 400001

Dear Sir(s),

Sub: Fairness Opinion on the Valuation Report of Equity Share Capital prepared by M/s STELLANT CAPITAL ADVISORY SERVICES PRIVATE LIMITED

Ref: Proposed "Scheme of Reduction of Capital" of your company

In accordance with your assignment to provide "Fairness Opinion" on the independent valuation done by N. L. UPADHYAYA & CO. (Chartered Accountants) represented by 035535 (Registration Number) having their office at 103-104, Sand stone Apts., Holly Cross Street, I.C.Colony, Borivali ( W) Mumbai-400013 vide their report dated 21/11/2014 pursuant to the provisions of the Listing Agreement w.r.t your Scheme of Reduction of Capital, opinion has been formed that the value per share derived is Fair and Justified.

The Fairness Opinion is intended to its sole use by the management of Stellant Securities (India) Limited only. Our recommendation should be understood in the context of our assumptions and the statements made by us in this report under the head statement of limiting conditions.

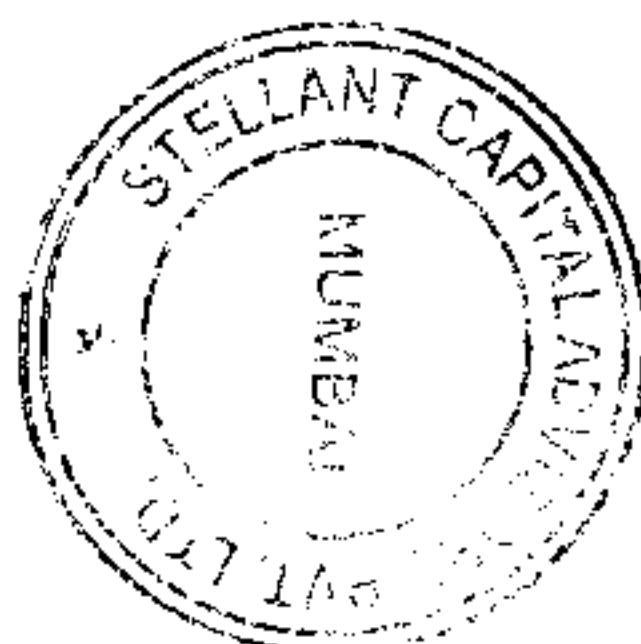
A detailed report is appended herewith.

Thanking You

Yours truly,

For STELLANT CAPITAL ADVISORY SERVICES PRIVATE LIMITED

  
Authorized Signatory



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- **Terms of Reference**

Stellant Capital Advisory Services Private Limited, a private company has been appointed by Stellant Securities (India) Limited to provide "Fairness Opinion" pursuant to clause 24(h) of the listing agreement vide SEBI Circular CIR/CFD/DIL/2013 Dated February 04, 2013 on the proposed scheme of Reduction of Capital of Stellant Securities (India) Limited

- **Objective**

The objective is to provide a fair and reasonable opinion on the "Valuation Report of Equity Share Capital" prepared by N. L. UPADHYAYA & CO. (Chartered Accountants) represented by 035535 (Registration Number) having their office at 103-104, Sand stone Apts., Holly Cross Street, I.C.Colony, Borivali ( W) Mumbai-400013 vide their report dated 21/11/2014 pursuant to the provisions of the Listing Agreement

- **Corporate Profile**

Stellant Securities (India) Limited, is a public limited company listed on BSE, Mumbai. The main objects of the Company are to carry on the business of dealing and trading in Securities.

- **Board of Directors**

NILIMA SAMBHAJI RAUL	Director
DEEPAK ANAND JAGTAP	Director
MANGALA SUBHASH RATHOD	Whole-time Director
BHAVESH VIMALCHAND BAFNA	Director

- **Industry Structure and Development:**

The Company has started rendering stock broking services to its clients. Although, this segment has thin margins due to intense competition, there is considerable scope for offering value added services.

- **Opportunities and Strengths:**

The Company is optimistic on the stock broking services segment. The pressures on margins are being faced by the industry mainly due to increase in administrative costs and entry of other competitors.



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- **Outlook:**

The Company is confident of maintaining its margins and is of the opinion that competitive pressures are at their peak.

- **Risk and Concerns:**

The Company has laid down several measures for risk management to ensure timely collection of margins and their replenishment from time to time. Market volatility plays a major role in the variation in margins.

- **Internal Control Systems and their adequacy:**

The Company is focused on its internal control systems and their adequacy by ensuring timely compliances of all statutory requirements as well as taking a strict view on client positions.

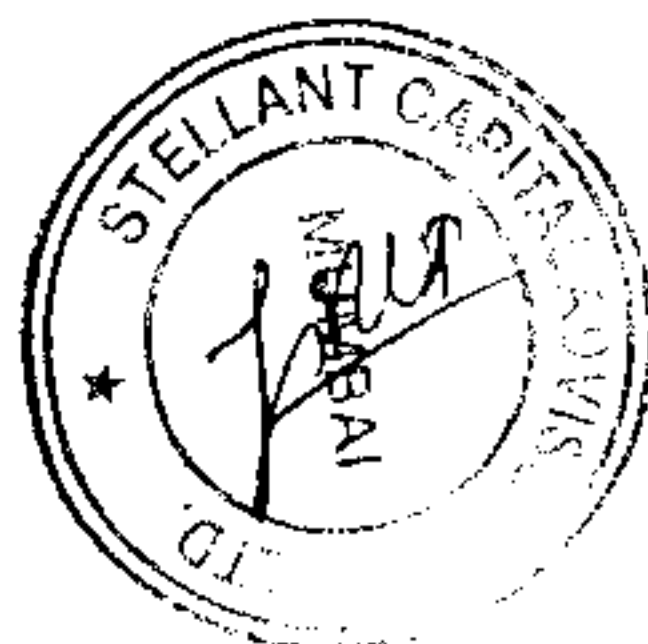
- **Business Plans**
  1. Objective
  2. Achievements
- **Business Conceptualization**
  1. Key Strategy
  2. Products
- **Market Summary**
- **Scope of Work**

On analysis and recommendations are based on the information provided by **Stellant Securities (India) Limited** and "Valuation Report of Equity Share Capital" prepared by N. L. UPADHYAYA & CO. (Chartered Accountants) represented by 035535 (Registration Number) having their office at 103-104, Sand stone Apts., Holly Cross Street, I.C.Colony ,Borivali ( W) Mumbai-400013 vide their report dated 21/11/2014

## Source of Information

For recommendations of "fairness Opinion on value of Equity Shares"; we have relied upon the following data and documents:

- ✓ Annual Report of Stellant Securities (India) Limited for 2011-2012, 2012-2013 and 2013-2014.



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- ✓ Certified true copy of the "valuation Report of Equity Share Capital" prepared by N. L. UPADHYAYA & CO. (Chartered Accountants) represented by 035535 (Registration Number) having their office at 103-104, Sand stone Apts., Holly Cross Street, I.C.Colony ,Borivali ( W) Mumbai-400013 vide their report dated 21/11/2014
- ✓ Certified true copy of "Scheme of Reduction of Capital" provided by Stellant Securities (India) Limited.
- ✓ Stellant Securities (India) Limited website.
- ✓ BSE's Website ([www.bseindia.com](http://www.bseindia.com))
- ✓ Money Control's Website ([www.moneycontrol.com](http://www.moneycontrol.com))
- ✓ Other information and explanation provided by the Company.

## • Summary & Recommendation

Our review was performed to recommend the fairness of the allotment of equity shares arrived at, subject to the sanction and approval of the "Scheme of Reduction of Capital" consisting of four parts in nine pages by the Jurisdictional Court, Shareholders and other relevant authorities.

In the event that aforementioned Scheme of Reduction of Capital being approved by the shareholders and confirmed by the Hon'able Court, the share capital of Stellant will be reduced by cancelling a sum of Rs. 31,020,810/- divided into 3,102,081 equity shares of Rs. 10/- each will result in reduction of fully paid-up equity share capital would be extinguished out. The reduction of capital reduces accumulated loss of Stellant by 97.20% which will help management to run business more effectively.

We hereby opine that the above scheme of Reduction of Capital is Fair and Reasonable.

On the basis of the documents verified and information sought from the management of Stellant, we have arrived at the conclusion that the scheme recommended by N. L. UPADHYAYA & CO. (Chartered Accountants) represented by 035535 (Registration Number) having their office at 103-104, Sand stone Apts., Holly Cross Street, I.C.Colony ,Borivali ( W) Mumbai-400013 vide their report dated 21/11/2014 appears to be fair and justified.

